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Financing of Islamist Groups Discussed

Introductory Background

92AF0810A Algiers ALGER REPUBLICAIN in French
14 Apr 92 p 1

[Text] The fundamentalist international is a reality, and Mohsen Toumi, a Tunisian political analyst, scrutinized its financing mechanisms in an interview that was just published in the weekly ECONOMISTE MAGHREBIN. The relevance of this interview prompted us to publish it. This will be the second document published in our columns on the outside financial support given to fundamentalist parties. In January, we published an exclusive document on Iran's financing of the FIS [Islamic Salvation Front].

Throughout several countries, fundamentalist parties are flaunting colossal wealth. The means available to them are extraordinary, and, to a large extent, this accounts for their strong impact. They use their resources to acquire sophisticated means of propaganda. They pay innumerable salaries to their mercenaries. They develop large networks of social activities and "welfare" associations, enabling them to invest their secret funds after first recycling them through black market channels and to gather support among the most underprivileged sections of the population.

Where does all this money, which no party could obtain from regular party sources, come from? Mohsen Toumi mentions the Gulf oil monarchies and Iran, but also Western countries, especially the Americans and their all-powerful CIA. He also mentions drug money and alludes to the channels used to transfer funds, emphasizing in particular the broker's part given to Sudan, the veritable hub of the fundamentalist international.

Financing of Islamist Groups

92AF0810B Algiers ALGER REPUBLICAIN in French
14 Apr 92 p 4

[Interview with Mohsen Toumi, previously published in ECONOMISTE MAGHREBIN: "Financing of the Islamist International"—first paragraph is ALGER REPUBLICAIN introduction; second and third paragraphs are ECONOMISTE MAGHREBIN introduction]

[Text] In its 8 April issue, our colleague ECONOMISTE MAGHREBIN published an interesting interview with Mohsen Toumi. With the latter's kind permission, we are giving our readers a nearly unabridged version of this article, which is remarkable through its rigor and the quality of its documentation.

Mohsen Toumi is a reputable political analyst.

In the wake of the distressing events that recently occurred in Algeria, we asked him to discuss a subject of obvious importance, although it is little known: the

financing of the fundamentalist nebula. Moreover, he is preparing a book on the subject. Here, we shall merely lift a corner of the veil.

[ECONOMISTE MAGHREBIN] Sudan is often said to be a sort of hub for the Islamist international. This may be true at political and organizational level; it seems less evident as far as financing is concerned, considering the country's state of economic decay.

[Mohsen Toumi] I shall begin at the end of your question: The decay you mention calls for some precisions. Here is a country, Sudan, which is the largest in Africa (2,506,000 km²), with 21.8 million inhabitants historically famous for their skills as craftsmen and farmers, with considerable proven mining resources (oil, coal), and with the Nile flowing through it; here is a country whose agricultural balance of trade used to show a surplus. Today this country is in an appalling state: it is one of the least advanced countries on the planet, one of the 25 poorest; from 1985 to 1988, its gross domestic product growth curve was positive (around 3 percent), but after the fundamentalists took power, the curve became negative, with a 25-percent drop in 1990. Today, the gross national product per capita does not exceed \$300. In terms of human development, this translates into a life expectancy of 50 years; one doctor per 11,000 people; a rate of adult literacy below 25 percent (16 percent for women); close to 4 million Sudanese, 70 percent of them children, affected by famine; and 6 to 7 million threatened with food shortages. At the same time, the ratio of military expenditures to health and education expenditures hovers around 160 percent. I shall add the last touch to this picture by mentioning that Sudan's leading bank, El Baylinbank, ranks 99th among African banks, with 1990 results of \$245.1 million, i.e., less than the modest International Bank of Burkina (the 80th African bank, with \$332.4 million) and far behind the Commercial Bank of minuscule Mauritius, whose results add up to \$972.8 million! We shall have the decency not to compare these figures with Tunisian figures.

Yet, decay is not unavoidable. In the case of Sudan, it is knowingly organized and fostered by the ruling Islamic National Front [INF] and its leader Hasan al-Turabi. They prolong the war against their fellow citizens in the South and also against the working classes in the North; they deport people to inhospitable areas (3,000 people are involved). They export Sudan's major agricultural productions—sorghum, mostly—to get the foreign currency they use to buy weapons. They speculate on demand on the domestic market, promoting shortages by controlling all inputs of grain, aid, and imports, and by selling the bag for three or four times its original price to families whose total monthly income—700 Sudanese pounds—hardly enables them to buy half a bag. At the same time, they control all transportation and distribution channels. In other words, the Sudanese people (Muslims and Christians) are made to suffer the destructive effects of the fundamentalists' consistent strategy of diverting resources.

To what purpose? We already know about the stated project to get rid of the people in the South. In this connection, the Islamic National Front—the INF—talks of a “jihad.” We are getting to the heart of the problem, namely a perverted use of Islam, its values, and its civilizational concepts: in this case, jihad means genocide. But this genocide also targets anyone who rejects Khartoum’s fundamentalist regime: the union members, the patriotic officers, and all the intellectuals tortured at the Kober jail know what I am talking about. Hasan al-Turabi is encouraged and supported by Iran and Libya (our neighbors, unfortunately, show a regrettably irresponsible attitude in this respect) in a messianic project: to become the Nasser of the fundamentalists. He set his regime and himself as examples: he even mentioned his moral influence. There are Algerians, Egyptians, and Tunisians who will give the title of sheikh to such a man. I become aware of the extreme backwardness of the Arab World when I see a war criminal such as Pol Pot being greeted in Khartoum, in April 1991, by dozens of political parties—including Arab nationalist parties—and I become aware of the extreme state of impiety of the present Muslim world when I observe how easily we award the titles of leader or emir to the first phony “prophet” who comes along.

I can now come back to the first part of your question: This is not the first time that we have seen a developing country whose people starve to death, sacrificed for the sake of insane projects.

You should realize that, when they help al-Turabi’s regime, Tehran and Tripoli become the accomplices of the crimes against humanity that he commits. You should also realize that, when a man like Ghannouchi receives \$10 from Tourabi, he helps deprive a Sudanese child of a chance of survival. Sudan, therefore, is in part a lender; but it acts mostly as a “purveyor” of money, as a go-between for other payers, including Iran and Libya.

Hassan Tourabi, for instance, is the chief executive officer [CEO] of a private Libyan financial institution headquartered in Geneva, the “World People’s Congress of Fraternity.” One more precision: one of the Iranian high officials in charge of supervising the distribution activities assigned to Sudan was ambassador to Tripoli and Beirut during the eighties; a specialist of political infiltration, he is now in charge of two departments at the Ministry of Foreign Affairs, which is known to organize the exportation of the Iranian “Islamist” model. His relay in Sudan is a security official, a prominent member of the INF specially in charge of “handling” foreign Islamist parties. He serves as a channel for money and weapons.

On the way, Hassan Tourabi’s party takes its commissions. In Sudan, a country in a state of disarray where the Sudanese people suffer violence and famine, the INF has constituted a war chest that some estimated at \$11 billion, i.e. 127 percent of Sudan’s total gross domestic product. Actually, speaking of Sudan in generic terms is not enough: there is the Sudanese people, who are

entitled to our solidarity and wish us no harm; and there are the fundamentalists who seem to have programmed the people’s elimination. These people do not impress me in any way, but I would not underestimate their ability to do harm.

[ECONOMISTE MAGHREBIN] Doesn’t the insistence to involve Sudan serve, objectively, to cover up the responsibility of other States?

[Mohsen Toumi] There is no insistence to involve Sudan “artificially.” What I just explained does show, I believe, that INF fundamentalists do all they can to ensure that their country is labelled as a terrorist State. You mentioned the responsibilities of other States in the extension of fundamentalist destabilization. One thing does not contradict the other. In spite of the fundamentalists’ vociferations against the West, especially since the Gulf War (as if to make up for some treachery they may have committed), we must realize that they are the best agents of Western services.

But let us come back to your question. I shall divide States other than Sudan into two groups: Muslim countries and Western countries. In the first group, we find countries with high illiteracy rates, such as Pakistan and even Iran. Some are poor, like Pakistan, and others rich, like Saudi Arabia and the Gulf monarchies and Iran. The latter group is characterized, economically, by their poor use of the oil manna, for several generations already. One last observation: the first group includes Asiatics and Arabs. Century-old antagonisms have always opposed them, the most recent manifestation of which was the Iraq-Iran war. Note also that Shiism is represented mostly in Asiatic countries, whereas Arab countries are mostly Sunni. Of course, none of these countries can be called democratic, and Islam there has always assumed reactionary and morbid aspects—preoccupied here with the sordid aspects of life, behaving there as an oppressor—all of which are foreign to its deeper nature and its calling. Allow me to be mean: life is not pleasant in these countries. Why, then, do they want to export their model, even if that means interfering in the domestic affairs of other Muslim countries and providing substantial logistic aid, in money and in weapons, to the fundamentalist movements of these target countries? In other words, what are their motives? Even though their efforts tend to the same goal, their motives are different if we look beyond their empty talk about the “glory of Islam”; the motives of a country like Iran are complex: first—and this may also be the case in Pakistan—they are truly religious; what we have is the reflex of minorities endowed with power. The institution of the Khomeiny regime was decisive in this respect. What a superb revenge for Shiism (which is often repressed) to impose its “Islamic Republic” on Sunni Arabs and, before achieving that, to become the new “City” of Islam, where fundamentalists from all over the world come to pledge allegiance! In this respect, we must recognize that Iraq bailed out the Arab World: I shall not go into the reasons underlying the start of the war with Iran, but this conflict halted Iranian expansionism.

Without Iraq, the pasdarans would now control the Gulf, at least. The Iraqi people, we should note, are still paying a high price for this commitment. Of course, Teheran's religious impulses are easy to reconcile with its geopolitical ambitions, namely to dominate the Mashreq by forcing Iraq and Egypt to toe the line. This would have made Iran the leading oil country in the world. After the disastrous invasion of Kuwait, Iran is gaining through Arab divisions and defeats what it could not gain with weapons: Iraq used Iran as a sanctuary for huge quantities of military equipment and ceded territories for which millions of human beings had died: thanks to Tourabi, Iran is gaining a military foothold in Africa, and, finally, thanks to some people from the Maghreb the ayatollahs have reached the Sahara. As for the motives of the Gulf countries, they are equally complex. They are varied too. Generally speaking, we can say that petrodollars went to their heads.

[ECONOMISTE MAGHREBIN] What about Western countries?

[Mohsen Toumi] I am coming to them. A country like the United States and some circles in what I would call the European "paternalistic left" support fundamentalist movements. For instance, Ennahdha, the Algerian FIS [Islamic Salvation Front], the Moroccan Chabiba Islamiya, and the National Front issued from the Libyan Jamaa Islamiya. Many Maghreb fundamentalist leaders have worked for the CIA in Afghanistan. British services are still using Jordanian, Egyptian and other Islamists (it's an old tradition of the Muslim Brothers to serve Her Majesty). The French services have "taken over" several Maghreb fundamentalists (to trap Iranians among other reasons), which explains why fundamentalists were given the status of political refugees so fast, and even (privileged) residence permits. The United States, again, have managed—in a tortuous way, but that's the name of the game—to control the leaders of the Iranian Islamic Republic, as the Irangate case clearly demonstrated; these very Americans, by exfiltrating Colonel Hafter and his men from Chad disclosed—knowingly—the extent of the fundamentalist implantation within the Libyan army. What does all this mean? Does it mean that the United States, France, and Great-Britain have discovered in themselves an irrepressible devotion to Islam? That does not make sense; the West, after all, is looking out for its own interests, in the most normal manner in the world. I find it indecent, to say the least, to blame it for it. We would have more cause to blame our fellow citizens and fellow Muslims who do not care to serve the interests of the Arab and Muslim peoples. After all, we should not blame the American diplomat who sets up a new lobby in Washington on behalf of Maghreb fundamentalists. He is working for his country. On the other hand, we have the right to challenge the Ennahdha people and ask them for an explanation, as long as they possess Tunisian citizenship. The same reasoning, of course, is valid for the Algerians, Moroccans, and Libyans. We all have a duty to ask the present Maghreb leaders whether the strategies they have adopted toward

the fundamentalists are the most effective and the most appropriate. Finally, we have the imperative duty to question ourselves, as social entities and as individuals, each for his part: fundamentalists were not parachuted on us from the outside. Neither Abbassi Madani, nor Hassan Tourabi, nor Ghannouchi are the children of the U.S., English, or French societies. They are our fellow citizens; we brought them forth; they are the results of our mistakes, our contradictions, our injustices, our ignorance, our arrogance, our cupidity, our selfishness, and I could go on like that. All the same, we must eventually ask ourselves how we got there and not sidestep the question. No, this is a serious matter, and major trials lie ahead. We brought forth the fundamentalists and, in doing so, we gave our opponents and our enemies the most effective tool to weaken, divide, and dominate us. Today, our opponents in the West (where, we should not forget, we also have genuine friends whom we should try to keep) are presenting fundamentalist movements as peaceful political and intellectual movements which are the victims of repression.

Our answer is that we are merely protecting the stability of our countries and the safety of property and individuals; that we cannot watch idle when terrorist and guerrilla activities are going on, because it is not proper for a State not to fulfill its role, and because tolerating such behavior would amount to compromising, for generations, the (clumsy but sincere) efforts we are deploying to establish democracy in our countries. But no one listens to us; we are dealt a sort of simplistic syllogism: the fundamentalists represent democracy; you are against the fundamentalists; you are enemies of human rights. And the sentence falls: aid will be suspended, investors will assign you a crippling risk factor, international financial institutions will pronounce you "non-cooperative," which entails the suspension of loans, and from now on the financial market will grant you only short-term loans, or no loans at all. Let us now reverse the situation and take the case of a country where an Islamic republic was just established:

The same Western circles then call it fanaticism, automatically equate Islam with human rights violations, freeze capital, suspend current contracts, and decree an economic embargo that forces the country in question to sell its oil, cotton, or phosphate at cut-rate prices on the gray market. After that we have come a full circle and we have one of the economic answers to the question: why such compassion for fundamentalists on the part of the West? Because, in all possible cases, fundamentalists weaken Muslim countries.

They destabilize them as long as they are not in power, and once they come to power, they make them go backward. Meanwhile, the other peoples are not just not waiting for us, but they are progressing, in many cases thanks to the wealth of which we were dispossessed.

[ECONOMISTE MAGHREBIN] Has the Gulf war altered the nature of these countries' commitment to

INTERNATIONAL AFFAIRS

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support the Islamists? Are their current relations competition or cooperation relations?

[Mohsen Toumi] In the state of division and decay of solidarities that characterizes inter-Muslim and inter-Arab relations, everybody is competing with everybody, and this constitutes a theater of vanities because those who control the game are elsewhere. They are the large Western nations. Their relations with pro-fundamentalist Arab and Muslim countries are relations among channels: for instance, the Ennahdha and FIS people are helping Washington but, financially and logically, they are supported by the Gulf monarchies on many occasions, especially in Afghanistan. Iran, too, despite its daily eruptions against the satans, is involved in these relations of dependence. All is evaluated in terms of stakes. The stakes are strategic and economic. Concerning the latter, we are currently witnessing a formidable battle for a market of several hundred billion dollars, the rebuilding of the countries devastated by the war, namely Kuwait but also—we tend to forget it—Iran and Iraq.

In this confrontation, there is still a demand for fundamentalist brokers, whether a government (like Sudan), a movement (like the Muslim Brotherhood), or individuals (like certain Tunisian, or rather Franco-Tunisian businessmen operating from Paris). In some cases, officials from large diplomatic departments in Europe have even included fundamentalist businessmen in official delegations sent to Iran, Saudi Arabia, Libya, etc.

Recently, if we are to believe reputable "professional" and "confidential" publications, such as THE MIDDLE-EAST CONFIDENTIAL, LETTRE DU CONTINENT, or NORD-SUD EXPORT, a French diplomat even planned to go to Sudan in the company of a merchant known mostly as a member of Ennahdha. Fortunately, individuals of high quality within the French State opposed the initiative, which had little to do with France's true interests and would have harmed the relations of friendship and good cooperation that we maintain with France. In closing, I would say that we should avoid any misunderstanding: the fundamentalists who thus lease their services are not motivated by their Islamic faith nor by their ideological convictions. They are doing business: they sell what they have to offer, i.e. the friends and the influence they say they have here or there, or that people fancy they have as long as they come with prayer beads and a beard. This means that they turn their so-called fight for the glory of Islam into a commercial product.

[ECONOMISTE MAGHREBIN] What are the financial institutions involved in providing aid to Islamist movements?

[Mohsen Toumi] First of all, who is financing these movements? We saw that it was financed by States: some (Arab and Muslim States) acquire a clientele that they may use to serve their foreign policy; others (Western States, and the United States first of all) recompense

services. The most surprising in all this is to see countries which are themselves threatened by fundamentalist organizations that have already proved their determination—I am thinking of the Masjed Al-Haram attack at Mecca, and the El-Azizia commando attack in Libya, six years ago—the most surprising is to see that these countries are financing other countries' fundamentalists. This is also true of Western countries which set the whole planet against terrorism—a worthy action if there ever was one—while financing terrorists in other countries.

Second question: Where do these States get the money to finance fundamentalists? Some countries use their own resources, in particular oil money. Others, by tradition and perhaps also to show in some way their disdain for those whom they employ, systematically use "dirty money," money from arms traffic and especially drug money, which controls everything. This is the systematic practice of the United States: they used it to finance the war in Vietnam; they used it to finance the Contras in Latin America. The system thus perfected has financed the Afghan mujahideens' war in Kabul. Afghanistan is now the world's second largest producer of heroin, after Burma, with over 2,000 tons in 1991. And heroin currently provides a financial yield eight times greater than cocaine. One kilogram of pure heroin, delivered to the United States, costs \$150,000, as against \$20,000 for a kilogram of cocaine.

The financial amounts involved are so large that their handling and control exceed the limits of the Middle-East, and this is where the famous BCCI, the Bank of Commerce and Credit International, came into play. Since July 1991, this bank has been at the center of what the FINANCIAL TIMES did not hesitate to call the largest financial scandal in history. The whole affair is very complex; actually, it started four years ago. In October 1988, the scandal broke out simultaneously in Paris, London, and Luxembourg, where the bank has its official address; nine top bank executives were arrested. The reason: laundering drug money from the Medellin cartel. The BCCI's connections with drug circles were nothing recent; in 1980, two of the bank's representatives in Bogota had already been involved in hashish trafficking. In 1986, we find the bank involved in Iran-gate through Adnan Kashoggi, an arms trafficker. Why didn't we hear about the bank sooner? For two reasons: its organization chart is particularly complex and, above all, it had the benefit of prestigious sponsorships and political protections at the highest level. The BCCI was founded in Pakistan in 1972 by a very close associate of General Zia, Mr. Agha Hassan Abedi. Among its shareholders, we find many financiers and high officials from the Gulf countries. The invasion of Afghanistan by the Soviet army and the emergence of the Afghan resistance, with all the resulting needs for weapons and money, gave the BCCI an opportunity to become a veritable worldwide dispatching center. This role was strengthened thanks to Mr. Abedi's connections and thanks to close relations with the U.S. administration.

These inextricable connections between money, bonds of dependence on foreign countries, questionable speculations, impenetrable investments, and fundamentalist parties and States became a sort of trademark of the BCCI. When Mrs. Benazir Bhutto came into office in 1988, she did try to tackle the monster bank. But her efforts were in vain and eventually the fundamentalists regained control over Pakistan.

In 1990, the BCCI was represented in 73 countries, where it maintained a total of 400 agencies. It had established relationships with many U.S. banks as well as with Arab and Islamic banks such as the Ettaqwa Bank, the Baraka International Bank, and the Faysal Islamic Bank [FIB]. Incidentally, I should point out that what I am saying here does not mean that all those who worked

with the BCCI or—as countries, banks, or businesses—had business relations with it are suspect or of questionable character. I shall stick to facts. And facts are stubborn. In the spring of 1991, for instance, a large amount (some said \$1 million) was transferred to the FIB for Tunisian fundamentalists; but 25 percent of the FIB assets had been on deposit at the BCCI since 1982, and in 1990, on the eve of actual bankruptcy, the BCCI drew \$358 million on the FIB. All this points to the existence of networks.

To what extent will the outlawing of the BCCI—which probably had something to do with the Gulf war—disorganize the fundamentalist financing? It is still too soon to know. The forthcoming months may see developments pointing to an answer.

NEAR EAST

ALGERIA

Country Viewed as 'Broken Down'

92AF0829B Paris LE MONDE in French 18 May 92 p 1

[Text] More than four months have gone by since the coup d'etat against President Chadli, which interrupted the electoral process in Algeria. However, the results achieved by the new government are disappointing, to say the least.

Certainly, for better or worse, there is now order in the streets of Algiers. The military, the true masters of the country, have practically reduced the Islamic Salvation Front [FIS], their principal enemy, to silence. The leaders of the FIS will soon be brought to trial. Justice will be harsh with the "bearded ones" who took up arms in the name of the Koran, and the death sentence may often be handed down. Several thousand Islamic fundamentalist detainees languish in "security camps" in southern Algeria. Rather than confront the Army in an unequal fight, the "brotherhoods" are bowing to the inevitable in the shadow of their mosques while they wait for better days.

Although it expresses an undeniable degree of firmness, the repressive actions carried out by the government cannot, as far as that is concerned, take the place of policy. As soon as it took over, the new government team promised a "radical change." Where is it? Where do Mohamed Boudiaf, president of the Higher State Committee [HCE], and his friends intend to lead Algeria? Where is the grand design that will give hope back to young people humiliated by unemployment and misery and protect them from the deceitful slogans of a backward and oppressive form of fundamentalist Islam?

The people are still waiting for the shock treatment capable of attacking the basic causes of the economic and social crisis that played into the hands of the FIS. No, decidedly not, imagination did not take over the government in Algiers on 11 January. Algeria has broken down, and its government is almost completely immobile. It is not enough, as Boudiaf has done, to call for the help of the "silent majority" to wake Algeria from its sleep. It is still necessary to give a reason for hope.

The struggle against corruption—a scourge that also fed the propaganda of the FIS—reflects a dual and praiseworthy concern: restoring the fortunes of the regime and beginning a political counterattack on one of the favorite grounds of the Islamists. However, the ordinary people are so disillusioned that this campaign threatens to amount to nothing more than a vulgar settlement of scores between the barons—both the old and new ones—of the government.

And what about democracy in all of that? When will the voters, who were betrayed in January 1992, regain their voices, as promised? A temporary suspension of freedom in the name of "public safety" is one thing. Prolonged recourse to the worst kind of police methods reflects

another kind of logic—that of dictatorships. The recent installation of a rump parliament, the National Consultative Council, is far indeed from making up for the shortage of democracy.

By continuing its repressive actions without reforming anything, the government risks simultaneously alienating the Algerian "democrats," who were relieved by the blows directed against the Islamists, and the foreigners—both in governments and among investors—whose support is essential to lasting economic recovery. In this regard, the harassment of the Algerian and the French press and the tension between Paris and Algiers are a bad sign. In Algiers, as elsewhere, the "madmen of God" are carrying out a long-term strategy. On the other hand, time is short for the government.

Ghozali Reportedly To Remain Government Head

92AF0829A Algiers ALGER REPUBLICAIN in French 12 May 92 p 3

[Text] Lakhdar Brahimi, Algerian minister of foreign affairs, has denied that the Algerian authorities are about to carry out a reshuffling of the government that would affect Sid Ahmed Ghozali, the head of government.

In a statement published in the 21 May edition of AL-AHRAM, the Cairo newspaper, Brahimi was quoted as saying that "Ghozali will continue to be the head of the government to implement the reform program that has the support of the majority of the Algerian people and the leadership of the country."

Brahimi noted that "what has been said about alleged differences between the members of the Algerian leadership and the Ghozali government has no foundation."

Brahimi added that the government "firmly condemns the call by supporters of the Islamic Salvation Front to turn their differences with the government into an armed confrontation.... And we will firmly oppose this policy of confrontation in order to put an end to the efforts of those who advocate an escalation of the violence against the government and state institutions."

Arrest of Islamists, Prison Conditions Defended

92AF0742B Algiers ALGER REPUBLICAIN in French 19 Apr 92 p 3

[Article by R.N.: "'Algeria Is not Renouncing Human Rights"'; quotation marks as published]

[Text] In an interview with our fellow newspaper EL MOUDJAHID, Ali Haroun, member of the HCE [High State Committee], discussed several issues relative to his trips abroad, respect for human rights, the security camps, corruption, terrorism, national priorities, answers to the problems in most urgent need of a solution, and so on.

Responding to a question about conditions in the security centers, which "are reportedly difficult, especially with the hot weather approaching," Ali Haroun said:

"They have suitable clothing. Their families can visit them. Directives have been issued to have social workers go visit the families of persons in detention. If those detainees have families to support, the state will help those families."

It must not be forgotten that they are not our enemies. They are our brothers. They are our children. Not foreigners or enemies. Algerian society was sick and needed an effective remedy.

Classes are planned for those individuals, as is a medical clinic in each center. It is also provided that our national human rights organizations, leagues, and so on can visit them. I can put you in contact with members of the former Ministry of Human Rights who have visited all the centers and can tell you about the conditions they found.

But when it comes down to it, the budget provided for each person detained in a center is exactly the same as that for the soldier who is there to guard the center. We cannot do more for those individuals than we do for the soldiers coming in to take care of the centers. It is true that the weather is hot, but there are civilians living in El Menea and Ouargla. Ouargla's population lives in the same climate. If health problems present themselves, it is obvious that we do not want those people to die.

The authorities will take the appropriate steps whenever necessary.

Housing Conditions in Oran Said 'Abominable'

92AF0742A Algiers *LE SOIR D'ALGERIE* in French
23 Apr 92 p 3

[Article by El-Habib Kahloul Habib: "Disgraceful Housing"; first paragraph is *LE SOIR D'ALGERIE* introduction]

[Text] In Oran in April 1992, as preparations are being made to celebrate the 30th anniversary of Algerian independence, about 30 families are living in abominable, unbearable, and inhumane conditions. Entire families are living in one room no bigger than their lost hope.

Oran—We are in Oran at a hotel on Emir Aek Boulevard, one of the main downtown streets. About 30 families live in the section reserved for those paying a monthly rent.

They live in fear of winding up in the street because, as was stated so well by one tenant we interviewed, "the hotel is a place of temporary residence." But the families have been living there for years, and their stay is becoming endless.

The hotel in question is a real labyrinth. Living conditions are humiliating. There is no hygiene, no water, and

no security. Electricity blackouts are frequent, and the place is swarming with rats. "Danger awaits each one of us, and we are living a real nightmare," we were told by one lady who has lived there for eight years. A 17-year-old girl lives in fear of losing her honor. She is preparing for her baccalaureat, and the future seems bitter and uncertain to her.

The B.N. family, consisting of five people, has lived in one room since 1985. It pays a monthly rent of 1,300 dinars and has been waiting eight years for housing. Several applications have been submitted to the OPGI [expansion not given] and the EPLF [expansion not given]. Several commissions have been sent out one after the other to inspect the premises, but nothing is ever done.

One room serves as kitchen, bathroom, and dining room and becomes a dormitory at night when the lights go out.

B. Noureddine, married with two children, is a senior technician (TS) at the Oran CHU [University Hospital Center]. He has lived at the hotel for 10 years. His children were born in the hotel, he told us with emotion. And C. Aek, married with two children, has been in the same situation since 1981.

All those families are waiting for the hope of a decent life. There have been innumerable applications and petitions, several contacts, and several actions in an effort to get the departments concerned to do something, but so far nothing has been done, and the tenants are still waiting.

They are sending up a cry of hope. Are they resigned to waiting forever—to waiting until they die?

Canadian Partnership To Boost Service Sector

92AF0829C Casablanca *MAROC SOIR* in French
7 May 92 p 5

[Text] The establishment of an Algerian-Canadian partnership in the services sector and the provision of resources to support it were the principal subjects considered by participants in a meeting of Canadian and Algerian consultants. The meeting took place on 3 May and brought together Algerian companies and Canadian consultants from the data processing, management, and financial auditing sectors.

After having heard speeches by Algerian leaders on the economic situation in Algeria and the resources allocated to improve it, the Canadian experts expressed their willingness to work with Algerian companies in the services sector by providing their experience and their expertise.

Ahmed Benbitour, minister delegate for the Algerian Treasury, said "Algeria's potential in terms of investments is enormous," even though Algerian companies are going through serious difficulties.

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The minister also emphasized that "Algeria is open to any proposal concerning investment in the services sector" to help companies develop and strengthen their management.

For his part Hadj Nacer, the governor of the Central Bank of Algeria, emphasized the importance of the Algerian market, particularly in the services sector. He said: "We need these companies, but it is necessary to use those that already exist and not call on other companies."

Elsewhere in his remarks Hadj Nacer assured private companies that a change in the foreign exchange regulations will be made public shortly, making equal treatment for the public and private sectors in obtaining foreign exchange possible. He also advocated the establishment of private banks "to compete with the public sector."

Abdenour Keramane, minister of mines and industry, explained to the Canadian consultants, who expressed concern about the legal structure permitting investment, that new legislation is being drafted, including investment and commercial codes in particular, that will authorize participation by Algerian and international private capital in business enterprises.

The minister said Algeria has great industrial potential, but that potential has not been exploited very well. Hence the need to find better formulas for partnership that could provide for technology transfers and fresh capital.

Furthermore, Keramane emphasized that the present legislation regulating participation funds and state fiduciary agents should be reviewed so that these funds, which hold public capital, become more active. In his view the present legislation "is not the best" in the framework of industrial restructuring.

Keramane further stated that the financial system "is not doing very well," either. In this regard he recommended the restructuring of this sector and the establishment of new banks as subsidiaries of other, existing banks.

Expressing a similar view, Babes, the minister delegate for economic reforms, focused his speech on the need for reconsidering the law on participation funds. According to him, two possibilities should be considered: keeping the participation funds in their present form, while reviewing their role and their relationships with business enterprises, or changing them completely.

The Canadian experts who spoke at the meeting expressed their willingness to work in cooperation with Algerian companies by contributing their expertise in the services sector.

This meeting, sponsored by the Canadian Embassy in cooperation with Algerian companies, was held on the occasion of the visit to Algiers of 10 Canadian data processing and financial auditing consultants. Their visit was within the framework of industrial restructuring and the "rehabilitation" of public enterprises.

EGYPT

Legislative Battle Over Farm Land Rents

Call For New, Fair Law

92AF0674A Cairo AL-AHALI in Arabic 18 Mar 92 p 1

[Unsigned Editorial: "Stability or Tension in Egyptian Countryside"]

[Text] The question of relations between landlord and farm tenants is currently the focus of concern by all the political forces.

Every party has its own stand, based on its social policies. Consequently, the gap of differences between most of the parties will be wide.

If every party clings to its social policies, then general reconciliation is going to be difficult. But if we put the element of stability in its right place in the equation, and if we realize the danger that would result from ignoring this element, distances between different views will become closer and an understanding on a just solution will be reached.

We and the majority of tenants recognize that the present rent rate does not give landowners a fair return, especially after the changes that occurred in society in recent years. We also admit that there is a need to increase the rent in a way that would strike a balance between property and work.

However, tending toward the expulsion of tenants under a new law is unjust and will have serious repercussions. The family that has built the foundation of its life and has been striving to bring up its children within the framework of these rental relationships, under whose terms it offered hard work and sweat over decades in order to serve the land and boost its productivity, should not be threatened with expulsion with a stroke of a pen because of the intransigence of some landlords.

Enslavement of hundreds of thousands of families in the Egyptian countryside will create an imbalance. The sons of these families that look toward a civilized future will find themselves a prey for extremism or crime if a law is issued that would lead to expelling their fathers from the land on which they work and live.

It is true that the constitution provides for preserving private property, but the Supreme Constitutional Court has ruled that this property can be restricted according to what its social function dictates, and that these restrictions pursue the interests of the individual and the community. The constitution also provides that protection of private property should not be based on exploitation, nor should it be contrary to public interest. Therefore, property, according to Islamic laws, is not

merely an absolute right of its owner, but is subject to the ruler's power in the realm of organizing it in a manner that would realize legitimate rights within its framework, but which should not be contrary to the community's interest. Warding off harm is the ruler's task.

We call upon the people's representatives to ward off the harm that would lead to upsetting the balance of justice, which people with vested interest are advocating without realizing the repercussions of yielding to what they are calling for, repercussions that will inevitably lead to creating tension in the Egyptian countryside, the impact of which only God knows.

The people's deputies must strive to reach a balanced resolution that would ensure for the property owner a fair return on his property, maintain stability for the tenant and his family, and preserve social peace.

Party Position Outlined

92AF0674B Cairo AL-AHRAM AL-DUWALI in Arabic
11 Apr 92 p 10

[Article by Ahmad al-Batriq]

[Text] The Egyptian opposition parties' leadership has expressed the belief that the law on the relationship between the landlord and the tenant, in both its real estate and agricultural sections, will soon be issued. It said that the time left in the present parliamentary session permits conducting further studies on the draft law in order to avoid any problems arising from application of the law.

The leadership said the principle of compensation the Nationalist Progressive Unionist Party [NPUG] is calling for might destroy this law, particularly since it constitutes an open violation of the constitution, given the restrictions it imposes on the citizens' right to dispose of their personal property.

Yasin Saraj-al-Din, member of the Higher Committee of the Wafd Party, said that the draft law on the relations between landlord and tenant in building estates, and the draft law on these relations on farmland will be put before the People's Assembly in its present session.

He said that the president has shown great interest in the law on farmland. The president said that it is necessary to seek the views of all the people on this law, although the various Egyptian parties have approved it and participated in studying it. Indeed, Law 178 of 1952 clearly allows the legislator to issue the new law without opposition.

Saraj-al-Din said that his party has clearly given its views on the draft law and has submitted its own proposal, which aims at achieving justice between two sections of the population who have the same rights and same obligations under the constitution and the law.

He said that the Wafd Party's amendments aim at increasing rent by 20 times the amount of tax [on the property], and provide that, upon the death of the

tenant, the rent contract may be inherited only by one of his children whose business is farming. This child will receive the equivalent of his share of the inheritance, and the same applies to the wife.

The Wafd also demanded that the law should provide that the tenant shall not possess more than five feddans, and that the rent should be paid in two installments, in July and in October, in the village bank, in order to discharge the tenant's obligations promptly, and that summary courts should deal with questions of expelling tenants who default or procrastinate in payment of the rent.

He added that, during the discussions in the People Assembly's Agricultural Committee, and during the talks with the National Democratic Party [NDP], his party agreed on exempting the tenant from paying the rent for a period of two years if the land sold is uncultivated, as compensation.

He said that this was the difference between the Wafd Party and the other parties that demanded that the tenant be granted one-quarter of the value of the land as a compensation.

The NDP has agreed on this demand, which was submitted by the NPUG Party, until the law is issued unanimously.

This was perhaps one of the reasons for the president's request that the matter should be further studied in order to avoid contesting the constitutionality of the law and to ascertain that it is constitutional.

Yasin Saraj-al-Din said that he believes that the People's Assembly will approve the draft law during the present special session, and that the majority of the members would welcome the amendment, which would realize the justice they are seeking. He said that he does not think that the law will be put to a public referendum, because this is not a case in which the voters are invited to vote on a particular issue, and that the conditions for a referendum do not exist.

Concluding, he said it is important that the new law be issued. Its constitutionality can be contested, since enough time has passed, and the number of landlords now exceeds the number of tenants, as a result of the fragmentation of property, particularly since the social structure in Egypt has become imbalanced and has changed. The landlords have become the class that is suffering hardship, as Yasin puts it, while the tenants have prospered.

Yasin Siraj-al-Din expects the new law to be issued during the current session, but he also expects the law on the landlord-tenant relationship in buildings to be issued before the other law, because there are no substantive objections to most of the articles of the new amendment, which the specialized national councils submitted to the People's Assembly.

Speaking for the NPUG, Party Secretary General Dr. Rif'at al-Sayyid said the draft law on the landlord-tenant relationship in farmlands will be the subject of ferocious debate in the People's Assembly, because it reflects the state of confrontation between the landlord and tenant classes.

He said that some quarters wish to reach a compromise that would ensure avoiding confrontation between the parties with various interests. The agreement reached between the NPUG and the NDP regarding compensation equivalent to one-quarter of the land to be paid to the tenant, if he gives up the land, will be rejected by the People's Assembly, because the majority of the members are landowners who refuse the principle of compensation in the first place. This perhaps will be the only point that will be subject of disagreement and conflict in the People's Assembly.

Achieving gains through the new law depends on each party's ability to marshall its supporters in favor of the proposed amendments, while public interest actually calls for reaching a compromise that would preserve the real interests of all the parties.

Dr. Rif'at al-Sa'id said: "So far, we have not seen the official copy of the new law, but we are conversant with its general trend." Concluding, he expressed the wish that the new law will be accurately and precisely worded, so as to leave no room for tampering.

Speaking for Egypt's Party [Hizb Misr] Jamal Rabi' simply said that he supports the idea of a free economy and freedom to dispose of farmland without conditions and restrictions. He said that he rejects the principle of compensation that Egyptian party leaders are advocating.

Speaking for the Ummah Party, Ahmad al-Sabahi said that his party has already announced its views on this law, which has been approved by the NDP Committee on Agriculture.

He said that he has approved everything in the draft law because it achieves justice for the two sides involved in this relation. He said that he has recently learned from Eng. Sa'd Hajras [not further identified] during a meeting in the Consultative Assembly that this law will be issued in the next parliamentary session, and not during the current one. He said that it is the law on relations between landlord and tenant in buildings that will be put to the People's Assembly during its present session.

Speaking for the Socialist Labor Party [SLP], Party Leader Ibrahim Shukri said taking a decision on this law depends on the NDP being convinced of the need to issue it during this session. "Generally," he said, "the principal points are known and clear to everybody. The existing problems could be resolved or eased.

"If there was to be talk about further studies to be carried out on this law, it should focus on how to reduce the problems and difficulties that might arise in implementation as much as possible.

"However, the state must give special priority to tenants, so they can obtain new and reclaimed land, and that agricultural development banks should contribute to financing the tenants until the land becomes productive. Thus, the desired horizontal expansion will be achieved, given the fact that they all [tenants] are engaged in this profession."

Shukri said he rejects the principle of rent and increasing the rent value in any circumstances. He said "The SLP demands that leasing contracts be turned into partnership contracts that may continue or be cancelled, depending on the wish of either side. If there is any need to put a financial value on this kind of relationship, let it be calculated on the basis of half of what the land produces in one year."

He said issuing such a law would make available large tracts of agricultural land that were not previously available for sharing or renting. There are statistics that show that more than 70 percent of cultivable land in Egypt falls within this category.

Ibrahim Shukri expects the new law to be issued shortly, depending on when will it be put before the People's Assembly during its current session. There is sufficient time to carry out further studies on it and to deal with loopholes that may be observed or expected to materialize when the law is implemented.

Liberal Party Leader Mustafa Kamil said there is no justification for delaying issuing this law. The question of loopholes or of contesting constitutionality can be avoided before the current People's Assembly session is over. The Liberal Party, however, believes that there is need to speed up issuance of the law, but disagrees with NDP views on increasing the rent.

The rent increase of 22 times the amount of tax per feddan, approved by the NDP in the amendment, is considered too high if applied all at once. The Liberal Party still insists on the need for the increase to be gradually implemented over five years. In case the tenant is asked to hand over the land, he should be compensated by 150 times the amount of the current tax, to be followed by applying provisions of the civil law in respect to everything in this relationship.

The Liberal Party leader said there certainly will be negative effects if the law is implemented in the NDP's manner, although the state will be required to give the tenants priority in obtaining reclaimed land at reasonable prices in areas as close to their place of residence as possible, in order to avoid problems when the law is implemented.

Privatization Worries: Minister's Response

92AF0747A Cairo AKHBAR AL-YAWM in Arabic
25 Apr 92 p 7

[Minister for Cabinet Affairs Dr. 'Atif 'Ubayd addresses business community; reported by Mahmud Salim]

[Text] The speaker is Dr. 'Atif 'Ubayd, minister of cabinet affairs. The listeners are economic experts, bankers, company presidents from the private and public sectors, and university professors. The subject is the Business Sector Law, economic reform issues, and highly important discussion.

The minister listened to all the heated questions: Will a large number of government and public sector workers be fired due to the Business Sector Law? What exactly does the government want? Is it true that the public sector will be sold off to foreigners? So won't there be any more public projects? Has the government started the process of economic reform without sufficient preparation? Is the movement to implement reform measures slow? What are the standards for selling off public sector companies? There were many other questions.

The minister began his remarks very calmly, but his answers were decisive and unequivocal. Dr. 'Atif 'Ubayd confirmed that "The caravan of economic reform was moving, in order to achieve a rate of real growth exceeding the rate of population growth. This is the sole way to the "leap" over backwardness and move from the refineries of developing countries to the middle-income countries, then the advanced [countries]."

He said that the caravan "Is being steered with total confidence, and clear and determined thought, by its leader, President Husni Mubarak, and that a team in the government was implementing what had been agreed upon. This team discusses and defines the role of each minister in the government, and advances its thoughts before applying them to all the organizations, beginning with the labor union, then all of the business and party organizations, then the legislative organizations. This is what has happened, is happening, and will happen."

Dr. 'Atif 'Ubayd said that "The most dangerous threat to the caravan would be for it to get preoccupied, as it moves, in battles it might be pushed into, and to use up its strength settling these battles before moving forward."

It is sometimes said: Do you want the government to eliminate some employment? Do you want the government to open doors and houses, or do you want them closed? Dr. 'Atif 'Ubayd here reaffirms that it is totally unreasonable. "We aim to achieve significant development, so that the goal should be decreasing the volume of employment in society, or reducing the number of workers. We—as a government—are committed to add to the growing number of jobs for workers. This file must be closed for good. We shouldn't get involved in these wrangles that go on between one team and another."

Another file that Dr. 'Atif 'Ubayd seeks to close, which occasionally comes up, is the charge that the government wants to liquidate public ownership. Here he asserts that public ownership of strategic investments absolutely must not be eliminated; they are sacred. It is not an ongoing battle now."

[Dr. Ubayd reacted to the comment of "Egypt will be sold. The companies will be sold to foreigners." He said, "As if Egypt were the only country in the world to think of inviting investors in. As if foreign investors had their eye on Egypt's "jewels and diamonds" that they want to steal! The quarrel between supporter and opposer begins. This also is a file we must close!

"The wrangling over what happened assumes that the social role of public investments will end; that price restrictions will be removed; that the poor will find nothing to eat, as if it were a process for protecting the unable, that must take place by price fixing, not by other means that have been tried, used, and definitive in many countries."

"The government has started without a financial market or strong financial institutions—that's what some people say, but the rest see the government as acting and developing. Lots of arguments! The caravan moves on but rocks are thrown at it."

Here, Dr. 'Atif 'Ubayd cautioned us not to fall into these traps, and said, "The caravan must push on, otherwise we will miss our goal, which is to achieve development at a rate that outpaces population growth."

"It is said that the government is moving slowly. To others, it is moving backwards by making public ownership private."

Here he hesitates. 'Atif 'Ubayd says that "When Britain put forth public money to move to small depositors, it sold three companies after three years, and that was with a huge financial market. And a free economic system throughout its history!"

"We are obsessed with attacking ourselves. The measured, goal-oriented, and reasonable step-by-step approach is very important in the implementation of reform measures."

Domestic Stability

[Salim] But there is a question: How do we push development forward?

[Ubayd] First of all, by liberalizing the economy with the aim of promoting investment. This is what the government has done for the past three years. It has liberalized the exchange market and the interest rate. It has controlled government spending to limit the budget deficit and it eliminated investment obstacles. It liberalized foreign trade and public sector management. This is the current investment climate in Egypt.

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"There is something that must be affirmed, which is domestic security and stability. That is the most important support for realizing development. Any tremor leads to the flight of hundreds of millions [of Egyptian pounds] abroad, as well as future capital that thinks twice [before saving or investing]."

"Instability threatens the current economy and the well-being of future generations."

"That is the path on which we are proceeding with awareness, understanding, clarity, and President Mubarak's instructions on this."

[Salim] Will the state continue to establish economic projects?

[Ubayd] Yes. The state will continue to mobilize deposits through its channels and institutions, so that this money might go to five basic areas, which are infrastructure, support for financial institutions, strengthening the tools for scientific advancement and technology, investment in building the bases that facilitate an increase in Egyptian exports, and public investment in setting up the necessary giant projects to produce needed goods and the raw materials necessary for the comprehensive development process.

[Salim] But if public investment is going to invest in these areas, will they keep the management of these activities?

[Ubayd] It is not necessary, while one invests, to keep the management. It is absolutely not in one's interest in the medium and long term to maintain the management of this investment. We certainly think that government management cannot possibly sustain this investment. The government will maintain partial ownership, but will not manage it. This matter of ownership differs from project to project.

[Salim] If investment is limited to these areas, what is the state's role?

[Ubayd] Its role is the private management of public investments. The goal of the state is to safeguard these investments, increase workers' income from them, and realize profits for expansion, as in the private sector.

The business sector law is temporary. Within a year, there will be a unified investment law in Egypt regulating all private and public companies operating in Egypt.

[Salim] If the state is going to abandon part of its investments, what are the standards for transferring public ownership?

[Ubayd] What concerns the state is getting the true value. Projects will not be sold cheaply. Selling will be done at the highest prices. Priority in selling will go to Egyptians, but we are not averse to selling some of the shares to any foreigner who can contribute what an Egyptian cannot, in addition to transferring new technology and establishing expansions to increase job

opportunities or boost exports. I say frankly and without equivocation: We welcome investment that's in Egypt's interest. We have no aversion making us reject, or restrict, any investor just because he "wears a hat." [is a foreigner]

With the completion of the file on the [Islamic] investment companies and their faulty practices, a new investment climate will commence, so that we all may work in the light. [end 'Ubayd statements]

Minister of Cabinet Affairs Dr. 'Atif 'Ubayd asked that these files not be reopened, so that the caravan of economic reform not come to a stop.

And so Dr. 'Atif 'Ubayd's remarks encouraged me, and I forgot in the beginning to say that his speech was to members of the conference organized by the Mansurah College of Commerce to discuss the development of the business sector, which ended two days ago!

ISRAEL

Egyptian Ambassador on Relations, Role

92AE0356A Tel Aviv BAMAHANE in Hebrew
15 Apr 92 pp 16-19

[Interview with Muhamad Basyuni, Egyptian Ambassador to Israel, by Oren Gazit]

[Text] Muhamad Basyuni has been in Israel for 12 years now, almost half of these in the role of ambassador. He knows the Israelis better than anyone else in the Arab world. Together with his wife, he is invited to every elegant party. She speaks Hebrew; Basyuni, so far, she just understands. In an exclusive interview he said: "I know that my presence here damages my future. But I am dedicating myself to a single goal: To bringing peace.

Muhamad Basyuni, Egyptian ambassador to Israel for the past 5 1/2 years, has his back turned to the portrait of his president, Husni Mubarak. And it seems as though the president is keeping watch over him from above. Once during the interview, Basyuni turns and his face is lifted. "We..." he begins and with the eyes of "Big Brother" again fixed on his back, Basyuni continues to talk about peace.

A man who finished his army service as a brigadier general in the Intelligence Corps, and was far from the fanfare of the Egyptian diplomatic world, serves today as ambassador in the land of the Jews. In Egypt, he will relate later, they barely recognize him. The Egyptian regime is careful to sift him out of the meetings of its ambassadors to the Middle Eastern countries. In Cairo, they have learned over the years not to mix one joy with another. His twelve years in Israel, some diplomats explained this week, have been good to him, but time, they added, has not been. A journalist who covers the Arab world has dubbed him "the Israeli Ovadya Sofer." Time, he emphasized, like the waves of the sea, wears down the rock in the end.

Basyuni is an optimist of words. "Imagine the Middle East under the umbrella of peace," he says, eyes shining. "Do not do so from the point of view prevailing now, of hatred, terrorists murdering Jews, and Palestinians being killed. Imagine it through the lenses of peace. Look at the region you are a part of. We have everything we need to create a garden of Eden."

He has made many friends during his tenure. His wife, Najwa'a, has become a local celebrity, at every party: beautiful, exotic, speaking fluent Hebrew. Someone the media has adopted with open arms. When she went on a trip to Egypt last year, Basyuni came to a private party alone. "Insha'alla, may she come back soon," he prayed, "and may we come together next time." On his table lies an invitation for two to the film "Tipat Mazal" ("A Little Luck"). Social accounts have shown that you do not need much luck to get Basyuni to take part in an event.

It is an open secret that Israel-Egyptian relations have known better days. "The relations are so-so," explains Knesset member Elijah Ben-Elishar, who was Israel's first ambassador in Cairo. "The Egyptian interest is in keeping relations under as low a profile as possible. This situation is at their initiative. We are not going along with them."

A few Likud Knesset members believe that Basyuni has gone out of his way to develop good relations with the Labor party. Sometimes, they say, at the expense of those who are carrying the flag. Basyuni denies this: "They are all my friends," he says, citing names of Likud ministers. "I deal with governments, not with individuals."

[Bamahane] Mr. Basyuni, did you ever dream you would be interviewed by an Israeli soldier?

[Basyuni] In times of peace, everything is possible. If we can reach a complete and just peace, there will be normal relations between us; and if we achieve a just and lasting peace, you will have normal relations with all the Arab states. The most important thing is to achieve a just peace."

[Bamahane] You put special emphasis on the word "just," rather than the principle of "peace"...

[Basyuni] If there is justice, peace will last. It is impossible to continue with the status-quo, based on force. This will not bring just and lasting peace.

[Bamahane] The peace treaty was signed in a very optimistic atmosphere. There is a feeling that the atmosphere has changed. Has there been a retreat in Israeli-Egyptian relations?"

[Basyuni] Absolutely not. I want to assure you that the signing of the treaty was the first step in reaching an comprehensive and just peace. If there is progress in the peace talks, this will be reflected in Egyptian-Israeli relations, and will bring about a better atmosphere.

[Bamahane] Is this a condition for improving relations?

[Basyuni] I do not set conditions, but it is logical. We have good relations in the areas of agriculture and the manufacturing industry. When we signed the treaty, it contained many points, and we said that all the points depended on the national interests of the two countries. I hope that we make progress in the talks, so that we will be able to make progress in what you call the tense atmosphere between the two countries.

[Bamahane] Mr. Basyuni, what has been your contribution to the advancement of the peace process?

[Basyuni] It is not only me. My colleagues in the embassy and I have set ourselves two goals: to develop Israeli-Egyptian relations, and also to try reach people, to influence, and talk—to make headway. Egypt is the only one who can talk to all the parties. We have excellent relations with the United States, Russia, Europe, and with the Arabs and the Palestinians.

[Bamahane] Have you used your connections with Palestinian leaders or Arab political figures to try to get them to meet with the Israeli Government or with members of the opposition?

[Basyuni] Yes. We try to bridge between Palestinians and Israelis. When a problem arises, we speak with everyone concerned, try to act as a bridge, to set the meeting place, the designated time, the topic of discussion. You will always find Egypt involved, because that is our strategy. We are not playing around.

[Bamahane] Can you compare your status in Israel with that of Efraim Dovek, our ambassador in Cairo?

[Basyuni] Each one has his work and his country's policy. Dovek does excellent work as the representative of his government. I try to do my best to present the views of my government, which I agree with 100 percent.

[Bamahane] When you give a party in the embassy, the entire top leadership of the Israeli regime is represented, but at official receptions in Cairo, only a few officials come.

[Basyuni] Let Mr. Dovek speak for himself—I cannot say anything about him. Lets talk about me. Truthfully, everyone sees his national agenda as a declaration of support for peace. I evaluate it personally, and look at it, from this point of view.

[Bamahane] Perhaps you all do not want the top leaders to be present at Israeli affairs?

[Basyuni] I do not think that the top leaders stay away from the Israeli Embassy for a certain reason. Someone who comes to visit any embassy will also come to the Israeli embassy.

[Bamahane] Knesset member Ben-elishar said to me that "the Egyptian Government is not interested in developing relations," that you all do not want Egyptian citizens to come to visit Israel.

[Basyuni] I cannot respond to his words. This is a democratic country, and everyone can say what he wants. If we take the subject of tourism, we find many reasons that the number of Israelis traveling to Egypt is greater than the number of Egyptians visiting here. For example, take the cost of living in Egypt as opposed to Israel. A lot of tours go out from here to Cairo. Seven nights in a five-star hotel cost \$240. If you stay home eight days, it will cost you more. And how many Israelis go abroad every year? All my friends here go abroad at least three times a year. How many Egyptians do you meet who travel, for example, to Spain?

Two months ago I visited London. Everywhere I went, people whispered, "There goes the Egyptian ambassador." I went to see Miss Saigon [the musical] and heard again, "the Egyptian ambassador, the Egyptian ambassador." Israelis love to travel abroad; Egyptians love to stay home."

Nevertheless, there are several problems that I believe, if we solve them, will encourage people to come. For example, there is a little church in Jerusalem, that has belonged to the Copts for hundreds of years. During the war years, the ownership changed. Now, in time of peace, we asked for the keys back. Our minister of tourism visited Israel and spoke with your minister of tourism. Our minister said: "Look, I am talking as a businessman. I ask that you not solve this problem." That was a joke, of course. Your minister was amazed. The minister explained: "If you solve this, five million Egyptian Copts will come every year to visit the church, which is very important to them. If you do not answer my request, their money will flow to Egyptian internal tourism. Can you imagine five million coming to Jerusalem every year? It is unbelievable. The minister of tourism tried anyway to solve the problem of ownership, and the case has still not been settled.

[Bamahane] You promised David Ovitz's wife that her husband would be freed, but they are still keeping him in prison.

[Basyuni] She told the press, "He promised," but left out the first sentence I said. She came with her lawyers, who claimed that her husband was not involved in the affair and that he denies all covert connections with Musr'ati. Then, listen well—for this is exactly what I said to her: "If your husband is not involved, or had no connections with Musr'ati, he will be freed after the investigation." The Musr'ati family said that he was involved, and that he was the contact between them and Israel. We are not the ones claiming this. They are. We have nothing against Israelis. Tens of thousands come to Egypt and enjoy the tranquility of peace, and we welcome them. But they must respect the law. I want to ask a question. If an Egyptian arrived in Israel illegally, how would the defense system react?

[Bamahane] What is interfering with the advancement of peace?

[Basyuni] There are three important elements for solving the problem: land, peace, and security. Without these elements, there is no true peace. If you say "not one inch," there is no peace, because this is impossible. You want the Arabs to come to talks, greet you, give you their land, and go home. This is illogical. It is not logical for any side to ask for land and not agree to sign a peace treaty.

The third point is security for all. The Israelis have the right to feel that their borders are secure and that they will not be attacked. And now, "Take it or leave it." You have the right to ask for security you can rely on, in order to sleep well at night, but you must discuss the territories: how much, where, and put it on the table. The principle, "territories for peace" is the key. Without it—you can forget peace. Since the cease-fire agreement was signed with Syria, not a shot has been fired from the Golan Heights. You can achieve security, if you are truly for peace. Security will not come through force or through preserving the status-quo."

[Bamahane] What do you think of the Israelis?

[Basyuni] I believe that the Israelis, like many other people in the world, are capable of reaching the possibility of living at peace with the Arabs. I fought you three times and served in the Egyptian Army for 26 years. And where am I now? I head the peace mission, and I believe in it. If you achieve peace with Syria, you will have relations like this with Syria.

[Bamahane] You have known the Israelis for many years. What, in your opinion, stands behind their world view when they come to negotiations? What are they afraid of?

[Basyuni] I told you. You will achieve security through peace. Then there will be nothing to be afraid of.

[Bamahane] Then are the Israelis afraid now?

[Basyuni] Ask your people that question. You have to sit down and talk. You are not leaving anything open for discussion. Everyone thinks, including your American friends, that it is illegal to build in the territories. But you insist. This is an obstacle to peace. And the Palestinian problem? We agree to solve it in stages. Your proposal to open with autonomy? All right. Then please let it be true autonomy and not cosmetic. You have an international obligation, within the Camp David framework, to give the Palestinians full autonomy. You asked that the Palestinians come in a joint delegation? We said all right. You asked for a solution in stages? We said, "All right." You asked for five years of autonomy? We said, "All right." And only after two years would we talk about a final arrangement? We said, "All right." Then what do you want? For 44 years, you have been asking for direct talks, and when they begin, you refuse to talk.

And concerning Syria, if you think that by holding onto the Golan you will achieve security, you are wrong. There are sophisticated weapons today. Certain Arab

countries are in possession of missiles with a range of more than 3,000 kilometers. So do you need to hold on to a piece of territory like that, in order to guard your security?

[Bamahane] Mr. Basyuni, there are some who think that because you have been many years in Israel, your stature has been diminished, and that this will have a negative effect on your future.

[Basyuni] You are a soldier in the Israeli army. When they tell you to go to a certain place, what do you say? The most important thing is that you serve your country. I am like a soldier. I know, that my presence here damages my future, but in the end, I assume that my mission will bear fruit and that we will reach peace. I will be victorious in the battle for peace. I do not look at this in terms of profit. I know that this does harm, and that if I were in another country it would be much easier and much more lucrative for me. But personal motives are not important."

[Bamahane] I read that your wife is not able to visit her family in Syria.

[Basyuni] That is also a price I have to pay.

[Bamahane] Is there more?

[Basyuni] Definitely. All this time I have not had one day of holiday leave. Believe me. I was not in Cairo on a holiday, because I dedicated myself to this goal. This is like my son, and I want my son to grow up and find his brothers living in peace. This is what I live for. Nothing else.

[Bamahane] What do you know about Passover?

[Basyuni] I will participate in that festival this evening. I hear every second, "Egypt, Egypt, Egypt." Your roots are there. I believe, that since the Jews left Egypt, they feel a special appreciation for the tranquility of peace when they return there as tourists. There is a great difference between Passover then and now. At Passover, you left Egypt and Pharaoh pursued you, and now you are our guests. Perhaps you will be coming to Iraq some day. Insha'alla! Do you know what that is?"

[Bamahane] Have you not studied Hebrew?

[Basyuni] (answers in Hebrew) See, I understand everything. My wife speaks it fluently. Fantastic! I understand.

[Bamahane] Then shall I keep on asking in Hebrew?

[Basyuni] In Hebrew, in Arabic, in French. I will answer in English.

[Bamahane] What do you like (ohev = "like" or "love" in Hebrew).

[Basyuni] What does the word "ohev" mean? LOVE? There is a lovely health club in the Dani'el hotel where I work out at least three times a week, because in order to guard your mental health, you have to be physically fit. I swim. That is very important.

[Bamahane] You said you went to see musical shows.

[Basyuni] I know many of them. "Miss Saigon" was wonderful. I know many Israeli singers like Hayim Moshe, Lilit Nagar, who was born in Egypt, Ofra Haza, Yizhar Cohen. I have their records, I hear them on the radio, and I know them personally.

[Bamahane] Have you turned into a celebrity?

[Basyuni] I believe that personal relations are the bridge to relations between states. This serves the peace process. This proves that peace is logical. This is the greatest gift a diplomat has. You can measure diplomatic success by the number of true friends you have succeeded in making.

[Bamahane] Then you are one of the best diplomats?

[Basyuni] I can say that. But I told you already what I believe. I want to be sure that I have good relations with both the right and the left.

[Bamahane] It seems that you are close to those on the left, like Weizman?

[Basyuni] That is completely untrue. From the political point of view, we are ready to shake hands with anyone who is for peace. I have good relations with everyone. With Arens, Rabin, Peres, Levi, Meridor, Shahal. Ask them. And I want to tell you, that it is never my custom to speak with one person one way, and with someone else another way.

LIBYA

Discontent Over Price Increases Described

92AF0776A Paris LE MONDE in French 5 May 92 p 6

[Article by LE MONDE Special Correspondent Alexandre Buccianti: "Libya: The Revolution Is No Longer What It Was"—first paragraph is LE MONDE introduction]

[Text] The application of the international sanctions against Tripoli is heightening the discontent of a population that has been left to fend for itself.

Tripoli—"I have the feeling that everything we have tried to do during 23 years is collapsing today," says a young, native-born Libyan who has never known anything other than the socialist people's revolution and is filled with bitterness. Many Libyans—from intellectuals to taxi drivers—believe that the "Lockebie crisis" has played only a secondary role in the decay of the "revolutionary" government's authority that has been apparent for months and even years.

The Libyan economy rotates at two speeds. A state sector that is as inefficient as it is large operates alongside a

dynamic private sector that is in the midst of a growth spurt. In the huge state stores—which resemble the Soviet GUMs—there is virtually nothing on the shelves. In the private stalls, on the other hand, it is possible to find all the imported food products, and the little shops on 'Umar al-Mukhtar Street are crammed with electronic household appliances, from vacuum cleaners to compact disc players.

The staggering rise in prices has obliged the man in the street to resort to various strategems in order to survive. Some people are cultivating a patch of ground in their free time or even during their working hours. Others are converting their garages into little shops that family members take turns tending, or they go even further by trading in foreign exchange or using their positions to obtain bribes.

This breakdown in revolutionary morale is manifested in many other ways. "Dealers" sell hard drugs in the residential district near the former royal palace in broad daylight. The police—who carry out raids from time to time—release the traffickers after confiscating their goods and money. Pornographic films are distributed "under the counter," and so is alcohol, which is theoretically banned. Libyan women are no longer reluctant to wear miniskirts, which until recently only Syrian and Lebanese women dared to wear. The young people of the privileged classes dream only of the latest Italian fashions, Michael Jackson's songs, and the American way of life. This decay, however, has also affected political customs. Indecision has become the order of the day. The non-state socialism preached by Colonel al-Qadhafi in his "Green Book" appears to have been transformed into anarchy. The salaries of government employees, including the military and police forces, are chronically paid as much as two months late. Conditions have in fact become so serious that most of the cabinet ministries no longer have a budget, strictly speaking, and are obliged to live from day to day.

The situation of the local media is not much better. In Tripoli the newspapers do not arrive at the kiosks until mid-morning. The local radio and television operate almost in a vacuum. You do not attract large audiences with a miniseries on the Bey of Tripoli's victory over the American fleet in the last century. Crowds rush to the video film shops to devour the latest adventures of Rambo or his imitators, while the privileged few who have a parabolic antenna tune in Italy, France, or Great Britain.

Ration Cards

In any event, the big question is definitely whether the regime is on the verge of collapse. Some observers believe that the adoption of economic sanctions against Libya—regardless of the cost—is likely to strengthen the privileges of the local "compradores" ["buyers"]. As for the economic fundamentalists, who profit implicitly from the official discourse that vows "to hold the Christian West up to public scorn," they do not appear to have

a sufficiently solid base among the general population to hope to profit from this crisis.

There remains one unknown quantity: the tribal question. It is significant that the average Libyan believes the refusal to extradite his two fellow countrymen who are suspected of implication in the Lockerbie outrage was due to the fact that one of them belongs to the large Magaribah tribe, which is also the tribe of Staff Major 'Abd-al-Salam Jallud, the regime's number two figure. If worst comes to worst, however, there is no assurance that certain tribes would not be prepared to sacrifice the regime.

Be that as it may, the sanctions imposed by the United Nations appear to have acted as a catalyst of a latent discontent among intellectuals who doubt that the Jamahiriya is the best of all political systems. Business circles, for their part, appear to be more cautious but also more anxious.

In Tripoli there are as many people in the electronic household appliance shops of 'Umar al-Mukhtar Street as there are in front of the displays of secondhand merchandise in the markets of Medina. Few people are buying, however. Although the shops are well-stocked, the shopkeepers acquired most of their inventory before the sanctions went into effect, and their stocks are renewed only in dribs and drabs because of the small amount of traffic across the Egyptian border. And even if they wished, the local merchants would not be able to import in large quantities because their Egyptian counterparts are now requiring payment in dollars, fearing a collapse of the Libyan dinar.

All of this translates into a rise in prices for the man in the street, whose wages have not increased (indeed, they have decreased) for more than five years now. He therefore must be satisfied with the subsidized goods—when he can find them—on the shelves in the state stores. The Libyan authorities are now enforcing to the letter the quotas stated on the ration cards, whereas before the "Lockerbie crisis" they used to look the other way.

So far, the man in the street appears to be taking things with an air of fatalism. Convinced that things can only get worse, most Libyans are putting their trust in God. They curse the Americans, without having any illusions concerning Libya's isolation nor concerning Arab support. "All the Arab heads of state are too intent on protecting their own interests," they repeat over and over again, all day long. This same skepticism is shared in official circles, to the extent that Syria—after threatening not to observe the embargo—was obliged to conform.

Calm also prevails among the foreign nationals living in Libya. In the Regata complex—where many of the foreign nationals live—people continue to play tennis or go windsurfing, while blond children romp in the streets. Except for the personnel of some companies, such as Thomson and Alcatel, no one has yet left the country

where the attitude of the native population toward the Westerners remains friendly. Some of the foreign nationals, however, chose to send their women and children back home when the air embargo went into effect, which coincided with Easter vacation.

But whereas the Westerners—and also the Russians, the Turks, the Chinese, and the Koreans—are remaining calm, that is not the case with the Africans and the Arabs, who are here in large numbers and hold menial jobs when they are not, quite simply, transient car washers. The Egyptians, in particular, (there are approximately half a million of them) are worried. They have already suffered al-Qadhdhafi's rage when he expelled them in 1985. Referring to the editorials in the unofficial Cairo press that are very critical of the Libyan regime, one Egyptian government official here declared: "Tell our newspapers to stop what they are writing; otherwise the people here might chase us through the streets the way they did in the past."

MOROCCO

SNPM Reacts to Amaoui Arrest

92AF0801B Rabat *L'OPINION* in French 22 Apr 92 p 1

[Communiqué issued by the board of the Rabat chapter of the National Union of the Moroccan Press: "Solidarity With Brother Amaoui"]

[Text] On Monday, 20 April 1992, the Rabat chapter of the National Union of the Moroccan Press [SNPM] held a special meeting at the company's headquarters, at the conclusion of which it published the following communiqué:

The political and media scene in our country has recently been marked by schemes and behavior aimed basically at doing damage to political and media achievements. This is a flagrant violation of public freedoms and, in particular, of the freedoms of opinion and expression.

This damage and these violations have been manifested:

- by threats made against the national press by holding up Article 55 of the press code to keep the public from being informed of events surrounding the trial of Mr. Noubir Amaoui, the secretary-general of the Democratic Labor Confederation [CDT] and a member of the policy board of the Socialist Union of Popular Forces [USFP];
- by assaults and provocations of journalists by security forces that were laying siege to the courthouse and the neighborhoods around it;
- by summonses for interrogation sent to managing directors of newspapers by the judicial police.

The board of the Rabat chapter affiliated with the SNPM denounces these practices, which constitute a clear infringement of the press law and an obstacle to the exercise of its duties. This is thus a clear and obvious violation of the rights of man and of public freedoms.

The board gives its total support to Mr. Noubir Amaoui, the secretary-general of the CDT and a member of the policy board of the USFP, at this difficult moment. The board states that a citizen has the right to state his opinions and express his ideas.

We journalists are devoted to our duty to inform the public about what is going on.

The board of the Rabat chapter declares its total solidarity with fellow journalists who have been the victims of assaults and provocations.

In any event, such practices will not shake the determination of journalists to fulfill their mission.

The board issues an appeal to all journalists and people in the media to close ranks at this time and remain vigilant to halt such schemes that attempt to intimidate courageous journalists.

The board calls upon the authorities to open a serious inquiry into these assaults and to punish those responsible for such acts.

Unions Hold Rally To Support Amaoui

92AF0801A Rabat *L'OPINION* in French 24 Apr 92 p 1

[Unattributed article: "Rallies of Solidarity With Mr. Noubir Amaoui in Various Moroccan Cities"]

[Text] Rallies of solidarity with brother Mohamed Noubir Amaoui were organized Tuesday in various cities of the country at the headquarters of the Democratic Labor Confederation [CDT] and the General Union of Moroccan Workers [UGTM] and were marked by speeches by representatives of various political parties and humanitarian organizations.

In Casablanca, the solidarity rally, whose venue was CDT headquarters, took place in a climate of tension, a fact that was mentioned in the joint UGTM/ CDT communiqué made public yesterday.

Leading the participants in this solidarity movement was brother Abderrazak Afif, who was accompanied by members of the UGTM leadership.

Mr. Mohamed Messaoudi, a member of Istiqlal's central committee, spoke on behalf of the Istiqlal Party and the national parties.

In Fes, the speech on behalf of the Istiqlal Party was delivered by Mr. Abdelhadi Benjelloun, the barristers' president, who is the coordinator of the party in the region, and in Meknes it was Mr. Allal Kessal, the party inspector of the Ismailia, who spoke on behalf of the party.

Mr. Abdellah El Ouarti, the party inspector in Kenitra, spoke at the rally held in that city, just as Mr. Ahmed Fennani, party inspector in Figuig also made a speech in that city.

NEAR EAST

In Rabat, the meeting room at Istiqlal Party headquarters was the scene of a similar rally that was marked by the enthusiasm of participants belonging to different political parties.

The following spoke in this order: Mr. Mohamed Benjelloun Andaloussi on behalf of the UGTM, Mr. Abdelhak Mantrach on behalf of the SNE-Sup [National Union of Higher Education], Mr. Abdelhadi Khirat on behalf of the CDT, Mr. Hassan Cherkaoui on behalf of the Istiqlal Party, Mr. Khaled Sefiani on behalf of the Socialist Union of Popular Forces, Mr. Aarab Brahim on behalf of the OADP [Organization for Democratic and Popular Action], Mr. Mohamed Achaari on behalf of the Union of Moroccan Writers, and Mr. Ahmed Hamouch on behalf of the AMDH [expansion not given].

Apologies were made to the other cultural associations present that were not allowed to speak because of the lack of time.

People's Reaction to Amaoui Trial Reported

92AF0743A Casablanca *AL-ITTIHAD AL-ISHTIRAKI*
in Arabic 25 Apr 92 p 6

[Article by Abderrahim Ariri: "Citizens on Amaoui Trial"]

[Text] The trial fabricated against Mohamed Noubir Amaoui, the general secretary of the Democratic Labor Confederation [CDT] and a member of the political bureau of the Socialist Union of Popular Forces [USFP], remains the talk of the hour in student, literary, financial, labor, educational, and popular circles. One can say without exaggeration that discussions in many gatherings are focusing on the trial and the turning point Morocco has reached with the imprisonment of Amaoui and the coverup of embezzlers of public funds.

In this sketch, we will try to present the comments of some citizens on Amaoui's imprisonment. We have done this through a very small sample, in which we tried to select people not affected in the narrow sense, i.e., politically affiliated. We interviewed a number of students, professors, workers, owners of manufacturing businesses, and managers.

In most of them, we sensed condemnation of the government's positions and uneasiness about the possible result for Morocco.

One of those interviewed, a university student in Casablanca's faculty of law, told us: "As a Moroccan national, I have learned from experience that speeches by officials about democracy, freedom of speech, and the dignity of citizens are nothing but cheap propaganda slogans, especially when an attempt to expose embezzlement, fraud, and plundering the country's wealth is involved. Talking about these things means exploding the network of nepotism and relations between a number of officials who have amassed fortunes by plundering wealth."

"Naturally, I am not unqualifiedly against wealth and people with capital. On the contrary, whenever I read or hear about an official who has become rich honestly and legitimately, I respect him. But when one sees how officials, who only yesterday were nobodies, have turned into wealthy speculators, one can only raise one's voice aloud, saying 'By God, this is repugnant'."

The same tone was reflected to us by the statements of a taxi driver who linked the trial to the history of independent Morocco, which, he said, has been characterized by the emergence of "war criminals and peace criminals."

"These people," said the taxi driver, "you find them everywhere and in every city. The officials, of course, know this. The fact that they don't avoid them means that there is some kind of need. Otherwise, why doesn't the government prosecute those who suck the blood of the Moroccan people? Are we going to sentence to prison anyone who tells the truth?"

"We know Amaoui. We hear about him and about his trade union. He has said nothing but the truth. He is a man of courage who openly said what all Moroccans believe. Thank God that there are always real men in Morocco. If the government condemns Amaoui or silences him, another Amaoui will appear tomorrow, unafraid and even braver. Colonialism killed nationalists and resisters, but we resisted until we achieved independence. Under independence, they dragged men off to prison for defending the people, but the government could not silence the voice of truth, nor will it ever be able to, even if it arrests all Moroccans. God is with us. We shall be called to an accounting on Judgment Day, but we still have to settle accounts with each other in this world and cleanse Morocco from everyone who takes a cent of the people's money, whatever his rank."

In fact, many respondents linked the trial and imprisonment of Amaoui to freedom to criticize and enlighten public opinion.

Some people wondered what value there is in the existence of newspapers, political parties, or trade unions if they do not have the right to criticize, expose shortcomings, and reveal defects in the conduct of public affairs. This was the gist of the testimony to us by the head of a workshop. It reflected the point of view of many respondents.

This contracting company official told us that newspapers and union or political leaders have a trust delegated to them: to criticize and diagnose illness. Therefore, if you muzzle the mouths of journalists and union or political leaders, "what is the use of beating the drum about the press, political parties, and trade unions?"

He continued: "We know that the parliament is a fraud and elections are rigged. Nevertheless, suppose that this parliament is honest and actually reflects the political reality. If we compute the figure for Amaoui's party, the USFP, in the parliament, it comes to about 15 or 20 percent. In other words, the party represents 20 percent

of the people of Morocco. Thus, the trial and imprisonment of Amaoui are the trial and imprisonment of 20 percent of Moroccans. The government must either free Amaoui or imprison with him the 20 percent of the Moroccan population that voted for the USFP in the parliament. Of course, one must remember that the parliament, as I said, is a fraudulent show that really does not reflect the size of this party.

"You question me as if we were in a democratic country, with each person having freedom to express and state his opinion, and with his opinion being respected without sticks or truncheons. Brother, our country seems to be the only one not moving or advancing. This is not just my opinion; everyone I know has the same opinion. In any case, let's get back to the subject. Amaoui's trial is a political error that the government fell into, thereby demonstrating its stubbornness and ruthlessness. If we were in a democratic country, things would be different; for we are ordinary citizens, without a real, conscientious information media. We expect good in only a few newspapers and hence, in a few political parties. Imagine an opposition party figure. All the facts say that his job is to criticize and expose every conspiracy aimed at exploiting the people's money for purposes other than the people's benefit. Second, he has political weight in the country because of the positions he holds. Third, there is no room for classifying this criticism as a crime and for hauling him into court and putting him in a cell like any ignorant criminal.

"The threats against the newspapers ANWAL and AL-ITTIHAD AL-ISHTIRAKI are two links added to the necklace of shame that the government has chosen to wear around its neck. The trial is an error, and the threats are a mistake. Where are democracy and free speech, with all the refrains being poured into our ears by the top and subordinate ministries through their coverup apparatus?"

On the occasion of the study day organized by the Moroccan Center for Contemporary Affairs (CMC) last Thursday at a Casablanca hotel and heavily attended by businessmen, company heads, banking and financial officials, and university professors, we met with a variety of these prominent figures and discussed our country's critical economic situation and ensuing political events.

A university administrator, who is also responsible for operating a company, considered the Amaoui trial the greatest mistake the authorities have ever made. Amaoui did nothing but shine light on bribery and embezzlement in which high officials were secretly involved.

This administrator also told us that many enlightened Moroccan businessmen had various objections to the government's behavior concerning Amaoui's interview with the newspaper EL PAIS.

"There are lobbies in a number of sectors," added the respondent, "that monopolize economic activities. There is much speculation about the reason for the influence of these pressure groups, speculation that can

be explained by the lack of facts and openness. If the facts were known, and if there were openness, we would know the truth about the close ties and relations that link some of the lobbies to government officials who protect them. Secondly, we would know the extent of this relationship. The source of news would no longer be rumors and possibly incorrect guesses. So, if Amaoui has anything to his credit, it is that he exposed this reality and demanded that the hawks who have become too powerful have their wings clipped."

One woman attending the study day replied with a question: "What do they want? They imprisoned Amaoui instead of imprisoning the guilty parties. They banned the May 1st Organization from El Feda Street. They decided to prosecute the newspaper ANWAL. Perhaps they will prosecute other newspapers. What do these people really want? Do they want anarchy? Do they want *la bagarre* [fighting in the streets]?"

During the noon break, a university economics professor expressed the view that the escalation that has happened and is now happening makes the observer dismayed about "our political future."

"Whereas government policies in the democratic countries," said this academic, "are constructed according to a definite logic, or start from many possible scenarios that make it possible for one scenario rather than another to be realized, conditions in Morocco are different, because politics has no logic. I do not think that decisionmakers make decisions based on multiple scenarios. So we are led to maintain that the decisions and 'plans' that are made are, in reality, merely improvised in the absence of any previously prepared scenario."

A colleague of his with a high administrative responsibility in a company gave us the names of officials involved in illicit profiteering and in worsening corruption of a sort rarely equalled in other countries. Then he went on to say:

"To understand the overall context into which the sentence against Amaoui fits, we must remember something significant. The sentence was pronounced at the very moment that the government council discussing elections and the conditions and details for their preparation was meeting. This means that officials in this country violate democracy with one hand and spread good news about its development with the other. These officials are living in a condition of extreme vacillation. Moroccan, Arab, and international conditions no longer permit continued political authoritarianism. It is no longer possible for a government to continue to rule by itself and discount the other social and political elements. They imprisoned Amaoui while believing that they would be free to push through specious resolutions in the name of democracy. However, I think that the trade union alliance and the political alliance understand democracy as an indivisible whole. The purported discussion about beginning elections and constitutional reforms can happen only if the rulers admit that today's

Morocco is not the Morocco of yesterday and that today's world is not the world of yesterday. The trade union and political alliances see the trial in the right context. They explain it as an attempt by certain parties to put the brakes on the new social dynamic and to retreat from what has been promised. I therefore think that the opposition front—the nationalist political parties and the trade unions—is faced now with some decisive choices. Either it will choose the kind of democracy that officials want, a democracy of lies and falsehood, or it will choose to work to improve the social situation. In this way, the [opposition] front will be on a par with the aspirations of our people and fit to confront the changes of the age. We, as citizens, have full confidence in the struggles of the front. We are confident that it will embark with us on a new age. This will undoubtedly demand sacrifices, but the real fortunes of nations must always be made by sacrifices."

Steps To Increase Trade With Poland Reported
92AF0802B Rabat L'OPINION in French 16 Apr 92 p 3

[Unattributed article: "Polish Foreign Minister's Press Conference: There Will Soon Be a Polish Economic Mission in Morocco"]

[Text] At the conclusion of his visit to Morocco, Mr. Krzysztof Skubiszewski, the Polish minister of foreign affairs, gave a press conference at which he indicated that the two countries' foreign ministers have decided to establish regular consultative contacts on a variety of issues.

The chief of Polish diplomacy emphasized that the range of issues he had discussed with members of the Moroccan government had been wide and that several conclusions had been drawn.

Mr. Skubiszewski also indicated that he had signed an agreement, in the form of an exchange of letters, with his Moroccan counterpart, Mr. Abdellatif Filali, with a view toward eliminating visas for Moroccan and Polish citizens who carry special diplomatic or service passports.

Economic exchanges between Morocco and Poland, he emphasized, are quite stable, but the list of products involved in these exchanges must be expanded because Moroccan and Polish industries are able to offer such opportunities.

Mr. Skubiszewski also emphasized that Minister of External Trade Hassan Abouyoub's visit to Poland last year had given additional impetus to economic cooperation between Morocco and Poland.

He mentioned that a Polish mission made up of businessmen will soon travel to Rabat to meet Moroccan economic decision-makers to discuss ways to increase the volume of economic exchanges between the two countries.

The Polish minister emphasized that his meetings with the minister of cultural affairs had been interesting and fruitful and had dealt with the exchange of ideas and experiences and the organization of cultural and artistic events in the two countries.

Mr. Skubiszewski emphasized that cooperation in the area of health is still continuing, including cooperation in the area of the pharmaceutical industry. Poland, he said, can profit from Moroccan science and knowledge in this sector.

Fathallah Oulaalou on Free Trade With EC
92AF0743C Casablanca AL-ITTIHAD AL-ISHTIRAKI
in Arabic 23 Apr 92 p 7

[Interview with Fathallah Oulaalou, head of USFP parliamentary team, by Jamilah Bashari; place and date not given: "Fathallah Oulaalou in Conversation on Free Trade Zone Proposal With EC"—first six paragraphs are AL-ITTIHAD AL-ISHTIRAKI introduction]

[Text] At their meeting on 6 April, the foreign ministers of the European Community [EC] restated the desire of the European twelve to establish a framework for a special new kind of political and economic cooperation with Morocco.

Dr. Abdellatif Filali, the minister of state for foreign affairs, held talks in this connection with EC officials during his recent visit to Brussels. It was decided on that occasion to hold a round of negotiations between Morocco and the EC on Monday, 4 May, and Tuesday, 5 May. It was also decided to hold negotiations on fishing. As is known, the two-month extension of the term of the current fishing agreement between Morocco and Europe will end on Thursday, 30 April.

Creation of a free trade zone between Morocco and the EC is considered a subject that will raise much discussion on a number of levels. In this regard, the weekly AL-HAYAH AL-IQTISADIYAH interviewed Fathallah Oulaalou, head of the Socialist Union of Popular Forces (USFP) parliamentary team and professor of economics at Mohamed V University.

Fathallah Oulaalou, a member of the political bureau, told reporter Jamilah Bashari, who interviewed him for AL-HAYAH AL-IQTISADIYAH, that this proposal comes in the context of the EC's renewed economic policy toward the Mediterranean countries. If this proposal is studied, it will certainly lead to effecting certain improvements in the Moroccan economy. Fathallah Oulaalou hopes that the rate of economic growth in Morocco will rise to between 8 and 10 percent.

The success of this idea depends on Morocco's negotiating ability and renewed discussion of the issues of unemployment, emigration, and debt.

These are extremely important preconditions for Morocco. But it remains for us to see the extent to which the EC will be prepared to actually play the game.

[Bashari] Since the EC proposed establishing a free trade zone, much discussion has been taking place on the subject. In your opinion, why has this proposal come now?

[Oulaalou] To understand the proposal, we must put it in context and relate it to three considerations. First, the EC has been trying for about two years to formulate what it calls a renewed policy in the Mediterranean. Thus, it is trying to conclude a new agreement with the southern Mediterranean countries that are linked to the EC by cooperation agreements going back to the seventies. The renewed policy in the Mediterranean also takes into consideration the general atmosphere of the nineties.

Given certain legacies of the Gulf war, Europe is trying to define a position in the Mediterranean Sea for itself. Another way of putting it is that Europe wants to know whether it will have some sort of independence vis-a-vis the United States in the future. In this context, the countries of North Africa, from a European point of view, must play an important role, a role that reaches the point of linking the political with the economic in all of Europe's relations with the Arab-Islamic world.

Europe's renewed policy in the Mediterranean comes in light of what has happened in the [Soviet] Union and the countries of East Europe. One can go so far as to say that, in Europe and the EC today, there are two poles of attraction. The first points at Eastern Europe; the second points from the southern European countries—Portugal, Spain, France, Italy, and Greece—into the Mediterranean. These countries are the ones that have induced the EC to open toward the Mediterranean, particularly toward the Arab Maghreb. This explains the dynamic of the five-plus-five group, which includes, on the one hand, the [five] European countries and, on the other hand, the five North African countries.

[Bashari] How do you view this dynamic?

[Oulaalou] As part of this renewed policy, the EC is seeking to found its relations with Morocco on the basis of Europe's interest in developing democracy and bringing about pluralism and respect for human rights. This is the first aspect that explains the European proposal.

The second aspect is the crisis in Moroccan-European relations generated by the negative vote of the European Parliament. The Brussels authorities, who realize the importance of relations with Morocco, were rather annoyed by this vote. To set matters right, Brussels chose to make this proposal to Morocco. It has the nature of an experiment, inasmuch as Europe is seeking similar relations with the central countries of the Arab Maghreb: Morocco, Tunisia, and Algeria.

The third aspect concerns the Moroccan economy. It relates to Morocco's negotiations with Europe concerning renewal of the special agreement on fishing, which basically affects Spain. The Europeans therefore moved to present this proposal.

[Bashari] Morocco presented this proposal three years ago without response. How do you explain the development that has taken place now?

[Oulaalou] Frankly, I think Morocco's proposal was political in nature. By the proposal, Morocco wanted to demonstrate a desire to strengthen and develop its relations with the EC. However, the current proposal results from more careful study and is economic in nature. As an economist, I am particularly interested in this aspect.

In fact, in the face of this proposal, the Moroccan economy is being asked to have diverse dealings. As for exporting agricultural products, the free trade zone can be an important tool, as it mandates abolishing the quota policy that the EC has been implementing since the sixties with regard to reference prices, time allotments, and fixed shares.

We must still find out whether Europe, especially Spain, is prepared to lift all restrictions on exports, which have continued to increase in response to the needs of the European economy for fifteen years. There are enough benefits for Europe in this opening. Will Europe take certain considerations into account—especially Moroccan food agriculture, which has less power to compete than European agriculture?

Next come industries, which produce primarily for the domestic market. They also have little ability to compete. We do not forget that part of the budget revenue comes from customs revenues. There are approximately 6 or 7 billion dirhams that customs duties on imports from the EC bring to the treasury. Morocco wants to preserve its markets in the EC, because 60 percent of its trade is with Europe. In tandem with this, Morocco also wants to open other markets.

We must bear in mind that there are no rapid implementations without real studies of the free trade policy. If this is the case, we may face a halt to the foreign trade diversification policy to which Morocco aspires.

[Bashari] What markets do you mean?

[Oulaalou] All possible markets other than those of the EC: European markets that have not yet joined the EC, markets of the Arab world, North America, Latin America, and even Eastern Europe.

[Bashari] In your opinion, what are the limits and the extent of this agreement with the EC?

[Oulaalou] The EC will work to impose a particular position not only on the Moroccan economy, but also on the North African economy. This was the case in the partnership framework of the sixties; the cooperation

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framework of the seventies; and in the eighties, when it became necessary to adapt and conform to the requirements of new relations with the EC after it accepted Spain and Portugal as members.

A major issue being raised now is whether we are capable of adjusting to the new situation. I think that this depends on the amount of the internal effort, which we have to make. For this reason, I am against every discussion concerning our being for or against the free trade zone. I hope we raise the discussion again and thereby prepare ourselves to improve our negotiating ability with the EC.

This requires being prepared to discuss a number of issues. There are four or five important ones. First, all quotas restricting our agricultural exports must be lifted. Then there is the fishing issue. The EC must be urged to follow a treaty policy with Morocco to safeguard and protect the sources of our wealth above all.

All exploitation of fishing requires ground rules that safeguard the fishery resource.

There is another important issue of concern to all the Maghreb countries. After the halting of immigration and the disastrous consequences of this, one must think of monetary alternatives. We cannot overlook the fact that Morocco's first monetary income today comes from remittances from the savings of overseas Moroccan workers. There is now a debate about work and unemployment.

Thus, while the Europeans discuss the subject of trade relations with Morocco, they are being asked to take into account the need to solve this problem. Inasmuch as they had to employ Moroccan and North African labor to solve their labor problems in the fifties and sixties, they are now being asked to be engaged with the region where we live together, by bearing responsibility with us for facing the problems of unemployment. This is a problem of concern not only to the Maghreb, but to all countries of the Mediterranean. It is a problem that could have effects at the level of the clandestine and other emigration from which European societies are suffering.

Another subject that must be raised is debt. It appears that here we are invisible. We cannot progress if we do not find a solution to the problem of indebtedness that has exceeded our capacity. Next year, Morocco will have to end the period of rescheduling payments of foreign debt—a period that has lasted 10 years. This means that, beginning in 1993, we shall have to repay the debts that we owe in accordance with the payments previously agreed upon. This may put us into a state of constraint. I therefore think that we must ask the Europeans also to bear their responsibility in this regard by intervening to find an international solution to the problem of foreign debt.

[Bashari] According to many observers, Morocco has been able to reform its economy because of the rescheduling and structural reform and will be able to face

repaying the debt in 1993 because of the money reserve that now has accumulated in the treasury. How do you feel about this?

[Oulaalou] Personally, I do not think the debt problem has been solved yet. The important thing now is that we have stopped the policy of rescheduling. However, this implies that soon we shall be forced to repay all debts on time. We could do so, but at the expense of investments. This is what makes me believe in the need to develop investments. We must find a solution to the debt problem at the international level, inasmuch as the problem involves not only Morocco, but also the three Maghreb countries and many other countries.

As for monetary reserves in Morocco, it is a fact that they have increased. This is not due to an improvement in foreign trade competitiveness, but is based on monetary realities that could be considered fragile.

I think the most important thing is to improve the Moroccan economy's competitiveness and reach a stage where the trade balance faces a smaller gap. On the other hand, I do not think the dirham will really be a convertible currency. You may reach certain thresholds of convertibility of the dirham, but these thresholds have existed for some time.

So the debt problem has not been solved. Our trading partners must take account of this reality, because we are in debt to them to a high degree.

[Bashari] Do you think that dealing with the European countries will tend to help absorb unemployment, given our knowledge that privatization in Morocco is aggravating unemployment?

[Oulaalou] Privatization does, indeed, aggravate one aspect of the problem. In fact, solving the unemployment problem has become increasingly a regional matter. This means that the kind of investment to be developed must take into consideration the need to confront the employment problem. Another point is that cooperation in education must also contribute to confronting this problem. We must therefore make our European trading partners take an interest in these issues.

They simply do not have the right to forbid immigration from us to them after having continued for 30 years to employ our labor, labor that played an important role in Europe's growth. They must consider our legitimate aspirations to develop investment in our country. Last week, the European Ministerial Council gave a committee power to open exploratory negotiations and define the directions of Moroccan-European relations without the need to define where we will head.

[Bashari] Exactly how do you view the achievement of the free trade agreements?

[Oulaalou] The important thing is for us to prepare ourselves. In other words, we should make free trade a tool for a significant rise in the growth rate.

After 10 years of the financial rectification policy, Morocco must raise this rate to a high level—between 8 and 10 percent per year—to strengthen our negotiating strength vis-a-vis our trading partners. This requires developing public and private investments in all sectors.

[Bashari] There is a belief that because Morocco is one of the Maghreb countries most prepared to implement free trade agreements, the EC wants to make us a model whose influence extends to other countries.

[Oulaalou] Our relations with Europe are diversified. This means that we do not export to Europe only one product, like Algeria, for example, but a number of products. Moreover, our exports are considered part of the sector which European policy toward the Mediterranean is treating. In fact, Morocco constitutes for Europe a testing ground for a new policy toward the south shore of the Mediterranean, where the Arab Maghreb is located.

The uniqueness the fishing sector also has its importance. This is something not to be found in other countries, either in the Maghreb or along the south shore of the Mediterranean. There is also the fact that Morocco has had to implement a financial evaluation and reform policy that has had financial and social repercussions. I would say that these repercussions have been unfortunate.

[Bashari] How so?

[Oulaalou] In terms of unemployment and such social sectors as housing, health, and education, for example. Therefore, if the policy of financial reform is to continue, it must find itself a new formula that wagers on an opening toward the social sectors. Here again, Morocco can be a testing ground.

The dimension of Morocco's opening toward Arab North Africa remains an essential subject. I do not think Morocco will be a locomotive, but it is one of the important components of the Arab Maghreb Union [UMA] in its relations with the EC. Algeria, with its energy, can play the role of locomotive, particularly because the energy sector will continue to be full of promise for the next 15 or 20 years. It is not merely a matter of fuels; there are also new kinds of energy that concern all the Maghreb countries and where Algeria can play an important role. The three countries—if not the five—must all define a unified position toward the EC to deal with all the issues of concern to them: the energy sector, agriculture, industry, fishing, and the labor force, with the aim of building up the UMA. The changes now under way, especially in Algeria, and the rapprochement now taking place between that country and Morocco, and between the other Maghreb countries are promising.

Unlike in the seventies, the five countries now possess all the resources to establish relations of mutual solidarity among themselves in the context of European rapprochement. I do not think there are any contradictions between us and the other Maghreb countries.

[Bashari] But Tunisia does not seem ready to sign an agreement on the free trade zone.

[Oulaalou] I think that this is a negotiating strategy. The Tunisians are seeking to hold negotiations based on the means and resources they have. This is natural. Whatever applies to Morocco—either regarding agriculture or industry—Tunisia will have to follow some time. Even Algeria will have to open up with regard to this sector.

[Bashari] An international solution to the problem of excessive debt appears to be a figment [of the imagination]. What is your perception of such a solution? Should it not be through financial cooperation on a broad scale?

[Oulaalou] The debt problem is worldwide. There is a twofold responsibility affecting borrowers and creditors. Ever since policies of financial discipline were imposed, only the borrowers have been asked to solve the debt problem. I would go so far as to demand that part of the debt be cancelled. This has happened for Poland and Egypt. So there are precedents for political considerations.

In any case, the important thing for Morocco is that we know whether the Europeans are going to develop dealings with our country. These new relations cannot be given free scope and investments cannot be encouraged if the debt problem is not solved.

Increased Income From Customs Duties Reported 92AF0743B London AL-HAYAH in Arabic 30 Apr 92 p 10

[Article by Muhammad al-Sharqi: "Moroccan Customs Revenues Rise to 24 Billion Dirhams in 1991"]

[Text] Rabat—A report by the Customs and Indirect Taxes Administration reveals that the total receipts of Moroccan customs increased by 19.5 percent last year, to a total of 24.44 billion dirhams, compared with 21.4 billion dirhams in 1990.

The report noted that a 59.71-billion dirham increase in the volume of imports (4.75 percent) contributed to an increase of more than one-quarter of the government's general budget.

According to figures contained in the report, a copy of which has been received by AL-HAYAH, import duties developed by 14.8 percent (11.4 billion dirhams). Consumption taxes rose by 10.4 percent (10.21 billion dirhams).

The report also revealed that 1991 saw a decrease in [the cost of] Morocco's oil imports, due to a fall in prices after the Gulf crisis, and wheat imports, due to the good 1990-1991 agricultural season.

Whereas in 1983, the date when [International Monetary Fund] IMF-approved economic reform programs were implemented in Morocco, total [customs] revenues did not exceed 9 billion dirhams (approximately \$1 billion), revenues rose to 13 billion dirhams in 1987, to 19.8 billion dirhams in 1989, and to 24 billion dirhams in 1991.

During its implementation of the economic restructuring program, the Moroccan Finance Ministry increased customs duties by 400 percent, trying to stop the importation of certain products that compete with local products. However, these duties promptly dropped to 45 percent in 1990, after Morocco joined the GATT.

Wheat Prices

In a related matter, Morocco's wheat imports are expected to rise this year because of the drought that has affected some areas of the country. Losses to the agricultural sector are estimated at about 25 percent. They may reach 70 percent in the production of soft wheat.

Moroccan Customs circles expect the rise in wheat prices in the international market to contribute to an increase in the wheat import bill. Last year, this bill was 1.314 billion dirhams, compared with 1.409 billion dirhams in 1990. The wheat bill is expected to top \$350 million this year, the highest figure in 10 years.

Food Product Importing Costs (in Millions of Dirhams)

Product	1990	1991	Change
Wheat	1,409.6	1,314.2	- 6.7%
Butter	300.2	319.2	+ 6.3%
Sugar	666.4	592.7	- 11.1%
Milk	297.0	271.7	- 8.5%
Coffee	187.0	183.1	- 2%
Green Tea	584.7	526.0	- 10%
Tobacco	360.0	673.6	+ 87%
Total	4,801.1	5,145.5	+ 7.17%

Source: Customs and Indirect Taxes Administration, Casablanca

Recent Minimum Wage Increases 'Ineffective'

92AF0801C Rabat *L'OPINION* in French 3 May 92 p 1

[Editorial by Mohamed Idrissi Kaitouni: "Protecting Workers' Rights and Gains"]

[Text] On May Day, the government announced a 10 percent increase in the Minimum Interprofessional Guaranteed Salary [SMIG] and the Minimum Agricultural Guaranteed Salary in the industrial, business, agricultural, and liberal professional sectors.

This increase, which will not exceed 120 dirhams per month, can only be greeted with satisfaction by workers who receive the minimum salary. As for the others, who make up the overwhelming majority of salaried workers in the affected sectors, they will not benefit from this increase either because they receive a salary slightly above the SMIG or because the firm they work for does not obey the law and pays salaries lower than the SMIG.

Furthermore, every time the minimum salary is raised, a way is found to pass this increase onto the prices of

products and services to the detriment of the masses of consumers, including these same salaried workers.

Besides, if one puts this new increase into its real economic and social context and if one realizes the various parameters, one in fact notices that it is laughable and that the SMIG, even when it is emphasized, does not allow the worker to have a decent standard of living. The systematic and continual price increases—legal or illegal; rent increases and their high cost; the demands of daily life: food, clothing, transportation, medical care, children's school fees, etc., hardly allow workers to benefit from the salary increases that have been decided upon and help further accentuate the drop in their purchasing power.

To remedy this situation, the government must enforce the sliding-scale law on prices and salaries, fight against price increases, extend and improve social benefits for the betterment of workers, and see to it that the law is obeyed when it comes to salaries, particularly when it comes to the SMIG, to avoid abuse and guarantee workers a working minimum, preserve their rights and their gains, and prevent their illegal and wrongful exploitation.

It is the government's duty to protect workers, to improve their living conditions, and to ensure that they benefit directly from the decided-upon increases by guaranteeing that these will not be gutted of their substance and that they will allow an improvement in the standard of living of those who benefit from them.

Furthermore, to obtain more social justice, the government should increase the salaries of all workers, not just the SMIG, and satisfy their legitimate demands, both material and moral, by engaging in a sincere and constructive dialogue with their genuinely representative trade unions.

This is one of the completely justified aspirations of the laboring masses and one that it is the government's duty to realize, in accordance with the instructions of His Majesty the King.

Increased Ties With Bulgaria, Romania Reviewed

92AF0802A Casablanca *MAROC SOIR* in French
27 Apr 82 p 3

[Unattributed article: "In Connection With the Fifth National Colloquium of Localities: Mr. Driss Basri Receives the Heads of the Bulgarian, Romanian, and Algerian Delegations"]

[Text] In connection with the Fifth Colloquium of Localities, Mr. Driss Basri, the minister of the interior and information, had numerous meetings with the heads of the delegations from the fraternal and friendly countries that participated in this colloquium.

Thus the minister had working sessions with Mr. Nicolas Karadimov, the Bulgarian minister of territorial development, housing policy, and construction, and Mr. Duru Viorel Ursu, the Romanian secretary of state and head of the department of local administration, as well as with Mr. Ahmed Noui, the state secretary to the Algerian minister of the interior responsible for localities, who was accompanied by the mayor of Ghardaia and several Algerian walis.

At these working sessions, Mr. Driss Basri examined with each these individuals the relations between Bulgaria, Romania, and Algeria on the one hand, and the Kingdom of Morocco on the other, in the areas of territorial administration and localities.

In the course of these meetings, emphasis was also placed on the necessity of developing and deepening cooperation between Morocco and these countries in various areas, including political and economic areas as well as social areas, and on the necessity of exchanging experiences with a view toward strengthening the friendly and fraternal relations that link Morocco with these countries.

Furthermore, Mr. Duru Viorel Ursu, the Romanian secretary of state and head of the department of local administration, and Mr. Ahmed Noui, the state secretary to the Algerian minister of the interior in charge of localities, and Noui's delegation were brought up to date on a part of the work of the parliamentary commission on justice, legislation, and the civil service that is currently examining the draft law on the creation and revision of electoral lists and elections for urban and rural councils.

Findings of UNDP Report on Human Development
92AF0802C Rabat L'OPINION in French 5 May 92 p 3

[Article by Mostafa Nassiri: "UNDP Report on Human Development in 1992: 9.2 Million Moroccans Live Under the Poverty Line and 11.2 Million Are Illiterate"—first paragraph is L'OPINION introduction]

[Text] "Man is at the center of development": This is a truth that is all too often overlooked owing to economic policies that, for the most part, are incapable of attaining such a goal. Yet this goal must exist. Even efficient methods are not utilized to quantify the impact of this or that policy on human development.

Quite often the very question is only partly and indirectly asked. The responses that are gathered come from the world of bookkeeping, not from those of economics and social science, to the extent that the human element occupies the central position in economic development. It is not accidental that the UN Development Program [UNDP], which has been concerned by this central goal in the research that its economists have been conducting for several years, has worked for the conception of a test instrument that would be better able to reflect human development.

"To ensure that development planning takes the needs of the population into account, social statistics and new methods of measuring development are necessary." To this end, the Human Development Indicator [HDI] was defined (1990 report). This is a composite indicator that brings together indicators of national income, life expectancy, and educational level. The 1992 report reminds us, to start with, that the HDI, calculated on the basis of 1990 data, "does not measure levels of human development in absolute terms." It "establishes a classification of countries, each in relation to others, according to the progress they have achieved in relation to the minimum for the three factors included in the HDI and with reference to those that remain to be accomplished to reach the maximum level currently noted for these three indicators."

There is another interim observation: "The adoption of the HDI generated a lively and useful debate on the way development in its socioeconomic dimensions should be measured." Undoubtedly those responsible for economic policy in Morocco believe themselves to be a concerned party in this debate, Morocco having been ranked 106th out of 160 countries, placing it in the category of low human development, with an HDI of 0.429. The Solomon Islands, Cape Verde, and Swaziland, ranked respectively 105th, 104th, and 103th, have the following HDI's: 0.434, 0.437, and 0.458. Lesotho, Zimbabwe, and Bolivia respectively rank 107th, 108th, and 109th and have HDI's of 0.423, 0.397, and 0.394.

We should note for the purposes of comparison that in the category of countries with "high human development," the first and the last-place (47th) countries are Canada (HDI = 0.982) and Qatar (HDI = 0.802).

In the category of medium human development, the first and last (95th) countries are Mauritius (HDI = 0.793) and Algeria (HDI = 0.533). Guinea is ranked 160th, with the lowest HDI (0.052).

Regarding income, this is treated in the HDI "as an approximate measure of the satisfaction derived from the capacity to obtain a market basket of basic goods and services that can be purchased with this income. That is why the HDI does not use nominal GNP but adjusts it to reflect the actual purchasing power of the latter," the UNPD report notes. "Besides, the weighting system applied to income in the calculation of the HDI reduces its importance to a considerable degree beyond the income level considered sufficient for human survival. The interest afforded by taking income into account is that it allows us to combine social and economic indicators in the composition of the HDI. The traditional social indicators frequently ignore economic progress and, conversely, economic indicators do not take social progress into consideration."

Put more technically, the formula chosen to calculate the HDI (the Atkinson formula) is designed to calculate the utility of income (the well-being derived from the income) with a parameter that measures the decreasing size of the yield. The social indicators taken into account in the HDI are length of life, adult literacy, and the average number of years of school completed. It goes without saying that, because the HDI is a national average, deviations and inequalities do not show up in it. The indicators deal with distribution by sex, income category, region, and residential environment. So, with regard to Morocco, "the HDI for the Tensift region, which is the least developed, only reaches 68 percent of that for the Eastern Region, which has the highest HDI," the report emphasizes. "In Morocco," the report goes on to say, "the rural HDI is only 66 percent of the urban HDI, which is a greater difference than the one observed between the country's different provinces."

Generally speaking, the UNPD report emphasizes, beyond the adjustments that have been carried out or proposed, that "putting together an adequate development indicator should be an evolutionary process that is refined each year, while useful suggestions are taken into account and while the quality of the available data improves."

Below we reprint the indicators that are taken into account in the HDI or that show up in one of the elements for Morocco. For the purposes of comparison, we give the respective values for its closest neighbor, Algeria, in parentheses. Algeria, we remind our readers, is ranked 95th (HDI = 0.533) in the category of "countries with medium development":

Real adjusted GDP per inhabitant: \$2,298 (\$3,088); life expectancy at birth: 62 years (65.1); populations having access to health services in 1987-89: 74 percent (90 percent); populations having access to drinking water in 1988-90: 61 percent (71 percent); population having access to sewers in 1988-90: 58 percent (61 percent).

Adult literacy rate: 50 percent (57 percent); primary and secondary school enrollment: 50 percent (79 percent); GNP per inhabitant: \$880 in 1989 (\$2,230).

Regarding "shortages," the report provides the following figures for Morocco and Algeria (in parentheses):

Population not having access to health services in 1990: 6.5 million (2.5 million); drinking water: 9.8 million (7.4); sewers: 10.6 million (9.8); number of children not in primary and secondary school in 1990: 3.7 million (1.7); number of deaths of children under five years of age in 1990: 100,000 (90,000); number of malnourished children under five years of age in 1990: 600,000 (400,000).

- Number of adult illiterates in 1990: 7.5 million (6 million).
- Population below the poverty level: 9.2 million in 1990.
- Revenue share of the 40 percent of the poorest, 1980-1988: 22.8 percent.

- Rural population below the poverty level, 1980-1989: 45 percent.
- Public expenses on education in 1988-89: 7.3 percent of GDP (9.4 percent).
- Public expenditures on health in 1987: 1 percent of GDP.

We should note that if we add the number of children not in school to the number of adult illiterates (7.5 million), the number of illiterates in Morocco would stand at 11.2 million. As the report points out, giving the average figure for each country hides several major disparities. Disparities between rich and poor, between regions, and urban and rural environments. For a (great) segment of the population, certain regions, and the rural environment, a more refined HDI would reflect a state of underdevelopment that has never been charted.

Besides, that is one of the wishes of the UNPD's economists, for whom "the HDI should aim to reflect the realities of people's lives."

Finally, as can be observed, by comparison with the instruments and methodologies used in Morocco, the socioeconomic realities and inequalities call not just for a refinement of the data but also the implementation of new instruments and evaluative methods. Lacking this, reality will remain hidden from the statistician or the researcher for a long time yet to come. As for the citizen, he does not need figures to understand what he experiences every day. His life style, his purchasing power, and the shortages and privations he encounters on a daily basis are sufficiently reflective and revelatory of a dispiriting reality.

Lower Legal Age Urged for Democratic Process

92AF0801D Rabat *L'OPINION* in French
26 Apr 92 p 1

[Editorial signed by Mohamed Idrissi Kaitouni: "A Mature Youth"]

[Text] The new democratic experience that Morocco is certain to witness is crucial to the future of the country. It does not represent merely an episode in the democratic process but should presage a new era and form the turning point between the Morocco of the 20th century and the Morocco of the 21st.

Thus, in order to consolidate the foundations of this new Morocco, it is important to tie the young closely to this work of construction and mobilization by inviting them to fully assume their responsibilities, all the more because they are the first ones affected by the new democratic experience and their future will depend on it.

Morocco is a country made up essentially of young people, and everything that is undertaken should be conceived with a view to serving them, protecting them, and guaranteeing their basic rights.

Morocco has seen profound changes, and, given the revolutions in technology and telecommunications, young people follow events in different areas of the world very closely, analyzing developments that take place there and accumulating knowledge and know-how. One cannot make a comparison between a young person who is 18 years old today and someone the same age 30 years ago or, more appositely, of someone the same age 50 years ago.

Based on this tangible reality, various congresses of the Istiqlal Party, in accordance with the precepts of Islam, have called for the legal age to be set at 18, for the voting age to be lowered to 18, and for the age of eligibility to be lowered to 21, a request that unfortunately was not adopted by the government, which merely set the voting age at 20 while keeping the eligibility age at 25.

Indeed, by setting the voting age at 18, we will help enlarge the voter base by allowing hundreds of thousands of young adults to knowledgeably choose their representatives at both the local and the national levels, those representatives who are supposed to satisfy their expectations and realize their legitimate aspirations. Thus the elected institutions will be genuinely representative of the majority of the people and will always be listening to its complaints and its demands.

Furthermore, young elected representatives will bring dynamism and efficiency to representative institutions and will provide a great impetus to what they do and to their working methods.

Thus the government's draft law prevents a large segment of our youth from assuming its obligations and participating in political life by choosing its representatives at the age of 18 and running as candidates at the age of 21.

Might the Chamber of Representatives rectify this error and give our youth the opportunity to prove its maturity and its sense of responsibility?

We hope so.

Opposition Daily: Obstacles Hindering Women

*LD1505133192 Rabat MAP in English 1324 GMT
14 May 92*

[Text] Rabat May 15 (MAP)—Moroccan opposition daily "BAYANE AL YOUM" called Wednesday for reconsideration of the personal statute saying this is a legitimate and realistic claim that will render justice to the other half of the society.

The daily arguing that the Moroccan society has been undergoing deep mutations mainly concerning women's social role and their contribution to production sectors, wrote that there are still obstacles hindering achievement of women aspirations. For PPS daily in Arabic, it is high time some provisions of the personal statute were amended and that they be adapted to social realities.

Conceding that some might argue that amending the personal statute might be contrary to the Islamic Chariaa, the daily says if the revision is addressed with realism, it will in no way affect the Islamic law and will be a means to render justice to the other half of the society and consolidate women's rights.

Fisheries Accord 'Model' for Future Agreements

*LD1605202992 Rabat MAP in English 1215 GMT
16 May 92*

[Quotation marks as published]

[Text] Brussels, May 16 (MAP/ pool/ UMA)—The new Moroccan-EEC fisheries accord 'is a first step and a milestone in the new political approach the European Community has developed vis-a-vis Morocco' for the establishment of a political and economic partnership, said Manuel Marin, vice-speaker of the European Communities' Commission and European commissioner in charge of fisheries.

Marin stressed this accord is 'the most important one the EEC has concluded with a non-EEC member and is a 'model' for future EEC agreements and emphasized 'the very good will' displayed by Morocco during the 15-month long negotiations.

A communique of the European Commission said the accord 'ensures continuity and stability of the fishing possibilities for the EEC fleet in the Moroccan waters while allowing rational conservation and tapping of fish stocks'.

It 'constitutes a precursory element for a new economic, political, social, and cultural partnership between the Community and Morocco, the communique added.'

The EEC recalled that by renewing the agreement, the EEC means to secure stability of fisheries possibilities, ensure continuation of various fisheries methods and types, improve conservation measures liable to allow operational and profitable activities of the EEC fleet, and to establish a reasonable level of shipowners' fees based on the agreement duration and both the volume and type of fisheries.

These objectives have been largely achieved, said the release, stressing that 'this accord, based on the respect of the sovereignty of the Kingdom of Morocco for conservation and exploitation of its halieutic [word as received] resources, has a four-year duration effective as of May 1st, 1992' and 'is the most important fisheries agreement between the community and one of its external partners'.

In addition, the accord notably provides for support to the development of Moroccan scientific research activities to promote a better knowledge of the evolution of fish stock biodiversity and contribute to the establishment of joint ventures geared to the development of

these resources either for experimental purposes or for industrial and commercial exploitation.

The accord also provides for incentives to expand port services and related equipment, along with enhanced vocational training programs for moroccans.

To ensure adequate implementation of the agreement, a joint Moroccan-EEC Commission has been set up to supervise implementation of the agreement and undertake action which it deems appropriate to ensure good-standing scientific and administrative bilateral cooperation.

Minister Comments on New Fisheries Accord

*LD1605204192 Rabat MAP in English 1234 GMT
16 May 92*

[Text] Rabat, May 16-(MAP/pool UMA)—In a statement to the Moroccan News Agency 'MAP', Moroccan Minister of Fisheries and Merchant Marine Bensalem Smili said under the just-signed Morocco-EEC accord on fisheries, the two sides are explicitly bound to meet by the mid-duration to possibly introduce the necessary adjustments as needed in light of the evolution of the situation of the country's fishing resources.

Smili went on that the agreement has come at a time when Morocco and the EEC, endowed with a reciprocal political will, are endeavoring to go beyond the classical framework of their cooperation to re-orient bilateral cooperation towards a new type of relations based on a real partnership in the economic, political, social and cultural fields.

The minister underscored that the major preoccupations of the Moroccan experts throughout the long, fastidious negotiations process were the preservation and conservation of the national biological resources so as to ensure their optimal and permanent reproduction.

According to Smili, such a concern translated in the new accord into a series of development measures sustained by a technical mechanism whose final end is to ensure a better protection of the country's halieutic [word as received] resources.

The minister of fisheries and merchant navy cited in this regard the fishing capacities granted to the EEC under the new accord, expressed in gross tonnage, will record a reduction of 17 percent compared to those provided under the previous February 1988-April 1992 agreement, a drop from 99,287 tons to 82,290 tons, corresponding to about 700 fishing boats.

The minister insisted Morocco must remain watchful and see to the strict implementation of the accord provisions, calling on the occasion of the fishermen's community to scrupulously observe all the norms stipulated in the accord, encompassing the biological rest period.

The minister underlined that conclusion of the new covenant is not an end in itself and that it is mainly an

additional milestone on the process of further strengthening cooperation ties between the Kingdom and the EEC.

OMAN

Government Begins Chromium Mining Project

*92AE0360A London AL-SHARQ AL-AWSAT in Arabic
30 Apr 92 p 10*

[Article by 'Isam Hashish]

[Text] Muscat—The Sultanate of Oman will begin to implement its "Small Mines" chromium production project this year. This project will involve a new arrangement in the Gulf region, namely the formation of a partnership between citizens, who will mine raw chromium themselves, and the Omani Chromium Company, founded several days ago, which will supervise the citizens in the partnership and market their chromium output in international markets. There are about 700 chromium mines in the Sultanate of Oman, with a total reserve of more than 2 million tons.

The company's capital totals 3 million Omani riyals (\$7.8 million), of which the government's share is 15 percent, that of citizens is 40 percent, and that of Omani companies is 45 percent. The new company will begin exporting before the end of this year.

Muhammad Husayn Qasim, the director general of minerals in the Petroleum and Minerals Ministry, states in an interview with AL-SHARQ AL-AWSAT that "The experiment of forming a partnership with citizens to mine chromium is the first of its type in the Gulf region. It is based on the participation of citizens wishing to extract raw chromium and deliver it to the company, which markets the chromium on their behalf.

"This new experiment opens the way to expand this type of activity. If it succeeds, it could then be extended to the mining of other raw materials present in abundant and economic amounts in the sultanate, such as raw manganese, gypsum, and other raw materials openly present in nature."

A ton of chromium sells in international markets for about \$120, whereas the cost of producing it is between \$35 and \$60. In other words, chromium mining offers a potential 100-percent minimum profit. Muhammad Husayn Qasim emphasizes that the raw chromium reserve in Oman totals almost 2 million tons. With this large reserve, Oman could flood world markets with this raw material, which is found at about 700 sites. Most of these sites will be distributed to citizens. The Omani Chromium Company will mine the largest mines, which number about 17 sites, and which are located in a number of areas in the sultanate.

Guaranteed Profits

Regarding the feasibility of chromium mining activity during the first year, as determined in studies performed by the company, Muhammad Husayn Qasim states: "We will begin with one area this year, the Ghashabi area in Suhar. The amount of raw, externally visible chromium available [in this area] is estimated at about 120,000 tons. Based on the economic study, the cost of the project will be covered fully in about 30 months. In the worst-case scenario, this period could stretch to up to four years. The shift to other sites, and the addition of more mining exploiters, will be accomplished gradually to form a reliable base for the future exploitation of other minerals, and to firmly establish this activity among citizens after they become convinced of its profitability. In this way, mining will be added to other activity sectors, e.g., commerce, agriculture, fishing, and so on.

The director general of minerals stresses that the experiment requires precise control to ensure the safe transfer of advanced technology to this field. [He adds:] "Although we are not familiar with the type of problems which we will encounter as this new area grows, we will strive to avoid any difficulties by moving gradually in apportioning mines and by monitoring mining operations, step by step. This Omani method is correct. We should avoid redundancy, consider the causes of problems, and nip them in the bud before they grow and become worse. Therefore, we will not be concerned initially with increasing chromium production. Rather, we will first ascertain our ability to establish this activity among the citizens. Then we can ascertain our ability to control production costs, output, and marketing opportunities, especially given the top quality of Omani chromium as determined in an international analysis. In this way, factories that contract with us to import our chromium can be confident that we can supply them indefinitely."

Ready Customers

Regarding raw chromium marketing opportunities in the world, and the results of the Omani Government's contacts with chromium importing companies, he states that "The Omani Chromium Company, despite not having begun production yet, has customers who are ready and willing to import Omani raw chromium. Japan and Germany have asked to contract limited

quantities in the first year, which is natural, given their desire to ascertain that Omani chromium is suited to their factories. After the required quality has been guaranteed, long-term contracts will be concluded."

Minister To Sign Port, Airport Contracts

92AE0360B London AL-SHARQ AL-AWSAT in Arabic
30 Apr 92 p 10

[Text] Muscat—Oman's communications minister signed two agreements worth 12.2 million Omani riyals for the development of Port Qabus and for the supply and installation of an automated system of teletypes at al-Sib International Airport. These agreements come within the framework of a plan to develop basic port and airport services and projects authorized in the fourth five-year plan.

The first agreement, which is worth 11.746 million riyals, and which will be implemented over a 2-year period, provides for the conversion of a number of container wharves, the construction of a new wharf, the construction of warehouses for containers, and the development of a 15-hectare container storage area.

The first agreement is one of a number of soon-to-be-implemented projects designed to develop Port Qabus. These projects include the deepening of the port's entrance and basin to facilitate the entry of third-generation ships.

By 1995, Port Qabus will be one of the region's key ports, through which as much as 1.422 million tons of goods could pass.

The number of international lines using Port Qabus has reportedly increased to 75.

The second agreement, which covers the installation of a sophisticated automated system of teletypes at al-Sib International Airport, is worth 468,000 riyals. It is the first of a series of agreements that will be signed in the coming weeks to develop the al-Sib International Airport.

The first half of May 1992 will see a tender being offered for the construction of a departure lounge, the activation of a new freight building, and an increase in the surface area of the runways.

NEPAL

Koirala on Relations With India, King

92AS0989A Madras THE HINDU in English 17 Apr 92
p 8

[Interview with Nepali Prime Minister Girija Prasad Koirala by THE HINDU; date and place not given; boldface words as published]

[Text] Mr. Girija Prasad Koirala, as he nears a year as head of the first democratically elected government in Nepal in 32 years, does not find the task of governing easy despite the fact that there is much goodwill for him and his family, especially for his illustrious elder brother and the country's first Prime Minister, the late Bishweshwar Prasad Koirala. The older generation in particular have not forgotten the sacrifices made by the Koiralas in the long drawn struggle for the restoration of multiparty democracy in the Himalayan Kingdom.

Nepal is still going through the pangs of democracy's rebirth. The task of governing is more difficult in a feudal society and, what is worse, is compounded by the roused expectations of the people. The bespectacled 68-year-old Prime Minister looked a little tired when he met Ramesh Upadhyaya for an interview at his official residence at Baluatand. He had just returned from this office in the Simha Durbar, where the Nepal Government secretariat is located. He covered a wide range of subjects, including relations with India and China, which he had just visited, his plans to revamp and streamline the administration and accelerate the country's economic development and harness Nepal's immense water resources and hydel power potential. He spoke of the hurdles in his path as well as his efforts to overcome them.

A man of vision and sense of history, the Prime Minister expressed his determination to go ahead with his plans to bring about a qualitative improvement in the lives of the people, undeterred by criticism by his detractors and opponents.

Question: Mr. Prime Minister, how do you feel in this one year in office?

Mr. Koirala: It is horrible to be the Prime Minister of a small, backward country like Nepal. It is particularly difficult to match the high aspirations of the people but I am trying to do my best. The economy is a shambles. The administration, too, is in a mess and has to be streamlined.

What steps have you in mind to boost the economy and streamline the administration?

Power has to be decentralised to secure people's participation at all levels, especially at the grassroots' level. I have asked the Administrative Reforms' Commission to go into the question and submit a detailed report. My government proposes to retrench 35 per cent of the staff,

the dead wood in the first phase after giving them substantial financial assistance to be on their own. The performance of officers is the main criterion. Those who are corrupt and inefficient would be retrenched and the efficient and honest officers would be promoted.

To promote the country's economic development, my Government has formulated a new economic policy suited to the country. As a first step, we are encouraging joint and private industrial ventures. We are welcoming foreign capital. If the industrialists investing in Nepal face any difficulties, we will immediately sort them out. To that end, we have introduced a single-window system to provide all the necessary facilities at one go, so that they do not have to run from pillar to post. India has liberalised its industrial policy, we have to follow suit.

What about the financial institutions like the World Bank, for instance? Are they helping you liberally or are you facing pressures from the World Bank?

There are no pressures as such from the World Bank (pauses and smiles). But to tell you the truth, I am rather disappointed with the World Bank's stand on some irrigation and hydel power projects. Let me explain. The World Bank was insisting on our taking up the Arun-3 hydel power project in three phases with a dam on the Arun river which is to be completed in three phases. The World Bank experts were pressuring me for the Arun-3 project. It was such a gigantic and time-taking project that I could not agree to it. The World Bank, however, kept on insisting on it. Ultimately, I gave in on the condition that they (the World Bank) would also finance the Mahakali irrigation-cum-hydel project. The World Bank wanted us to increase the electricity, telephone and water tariff. Very reluctantly I agreed as they are unpopular decisions. Now the World Bank also wants us to tax drinking water. After all this, there was a sudden volte face on the part of the World Bank which is now reluctant to go ahead with the Arun-3 project. I had told the World Bank very clearly that we were agreeing to the Arun-3 project provided our other top priority projects like Mahakali, Pancheshwar and Kosi High did not suffer. Incidentally, joint feasibility studies are being conducted in respect of Pancheshwar and Kosi High dam projects. I was particularly keen on the Mahakali hydel power project because in the next two years, Nepal is going to face a power crisis. But the World Bank went back on its commitment. The matter is not yet settled. Negotiations are under way. Let us see what happens.

Some of your detractors accuse you of being pro-Indian. Excuse me if I put it to you rather bluntly.

Frankly, as for myself I am neither pro-India nor anti-India. I am pro-Nepal. But geographically, culturally, and also from the religious point of view, we are close to India which is a democracy and so is Nepal. We are friendly with India as well as China. But because of nearness to India, we are closer to India. I do not intend playing the India-China card.

There have been reports of differences in your party (Nepali Congress), particularly between you and the party supremo, Mr. Ganesh Man Singh.

In a democratic party, differences crop up occasionally. But on national issues we are all one. There are no differences as such.

What about the charge levelled against you by Mr. Ganesh Man Singh that out of 11 ambassadors appointed by you, nine or ten are Brahmins?

(Reacts, his face flushed). Unfortunately, I am a Brahmin. If I had been a Newar (Mr. Ganesh Man Singh is a Newar), nobody would have questioned my motives. I do not understand why this is going on against me. Unfortunately, this is not the first time that such charges have been bruited about. In 1960 when my elder brother, B. P. Koirala was the Prime Minister, similar charges were levelled against him also. I cannot help it if Brahmins are men of learning and knowledge from ancient times—a tradition which is still continuing. In the Planning Commission there are four Newars. The Chairman of the Administrative Reforms' Commission is also a Newar. Most of our ambassadors are Nepali Congress activists. There is no question whatsoever of caste. Why this fuss?

I am an elected Prime Minister. The country's economy is controlled by a handful of vested interests and power brokers whose stranglehold I have broken. That is why this hue and cry. You should also realise that the bureaucrats of Nepal are spineless.

How are your relations with the King? Does he create any problems for you or interfere in your administration?

The King is committed to democracy. He has not given me any sort of trouble. He is very cautious and he has not interfered in the administration. I must be fair to him and give him his due.

The ethnic tribes are restive and have formed organisations of their own to demand regional autonomy. What steps have you in mind to bring them into the political mainstream and give them their due?

It is true that some ethnic groups are giving communal colour and have also formed organisations of their own. To counter this, we are reforming and reorganising the administrative units. We propose to abolish the 14 existing administrative anchals and divide Nepal into five or six administrative zones to be headed by Chhetrapals—something equivalent to your Governors. The zones will have two departments, one for development and another for administration, headed by Chhetrapals who would be assisted by locally elected members. I have already told the Law Commission to frame laws for the purpose which would be introduced in Parliament during its next session. The idea is to give more autonomy to the local administration. I have also asked the Administrative Commission to look into the matter.

There are altogether 75 districts in the country which would be covered by the proposed five or six zones.

Are you satisfied with the law and order situation in the country and what have you to say about the galloping prices?

The law and order situation is now normal. Initially, it was not satisfactory in the Kathmandu valley. Prices are under control. There is no dearth of essential commodities. The rate of inflation has come down.

As the interview was coming to a close, the Prime Minister laughed and said: "I am relieved that you did not ask me about the problem of the Nepalese vis-a-vis the ethnic tribes in Bhutan." Asked what he proposed to do about it, he said, "I am going to solve it diplomatically. You don't expect me to place all my cards before you. That would be very undiplomatic."

King Wangchuck on Refugees, Terrorism

92AS0989B Madras THE HINDU in English 25 Apr 92
p 6

[Article by S. Ramachandran: "We Are Restrained in Dealing With Repali Subversives: Bhutan King"; bold-face words as published]

[Text] Thimpu, (Bhutan), April 24. The Bhutan Government, from the king downwards, has been following a nondiscriminatory policy towards the southern Bhutanese despite antinational activities in that region. As many as 484 southern Bhutanese civil servants have absconded from the country—those sent for training abroad have sought political asylum and have not returned and some of them were missing immediately after being promoted. Of the total 12,023 Government employees from the region the southern Bhutanese comprise 39.23 per cent (5383).

Despite pressure from the National Assembly to remove them from service since they have absconded, the Royal Civil Service Commission [RCSC] continues to employ, train and promote them as before.

The RCSC was created by King Jigme Singye Wangchuck.

"I have already been entrusted with the responsibility of finding a permanent solution to the problem of antinational, illegal immigration of Nepali population into Bhutan. I give you my solemn assurance that I will strive to do so with total dedication and commitment. I also pledge to abdicate, if I do not succeed in finding a lasting solution to the antinationalist agitation launched by Nepali subversives in the southern Bhutan areas.

That was the King talking in the National Assembly recently. He was intervening during a long, acrimonious debate on containing the unrest in southern Bhutan, when members raised their voices against the activities of these "citizens turned rebels." The king told them: "if the authority and power to decide on how to go about

finding a solution to problems were not included with the responsibility and accountability involved, it would not at all be possible to find a proper solution to resolve the serious threat posed to the country. Finding a permanent solution to such a serious problem involved careful thought and planning and required a deep understanding of long-term objectives and implications. I request all of you to carefully consider and decide whether this great responsibility and accountability with all its attendant risks as well as the necessary power of decision should be left to the National Assembly members or given to His Majesty the King."

Speech stuns members: The members of the National Assembly were stunned at the king's speech what with its threat of abdication. They immediately clarified that they had expressed their views opposing the renewal of development works in the South out of their anger for the "treacherous terrorist activities" carried on by "antinational Nepalis." They requested the king to extend his indulgence and understanding for their feelings of deep concern which had prompted them to differ from his proposal. The representatives of the Bhutan Government, the Central Monk Council and the National Assembly members all pledged their complete support, loyalty and confidence in the king.

The National Assembly then resolved that the entire responsibility be left to the king along with all his prerogatives and powers as would be deemed necessary in all decisions and policies. It was resolved that the renewal of development activities in southern Bhutan as proposed by the king such as opening of schools, health centres, sub-district offices and construction of roads should be carried out.

Trouble after census: In a written question and answer session with this visiting reporter from THE HINDU, the king said that antinational activities in southern Bhutan were conceived after the Government conducted a nationwide census in 1988 to identify nonnationals and curb the large-scale influx of illegal immigrants into Bhutan. With the easy availability of fertile land, free education and health coverage and good employment and business opportunities, Bhutan had become a haven for migrants in search of economic prosperity. The census was followed by the adoption of a firm policy on immigration. These moves were aimed at curbing effectively the illegal influx and hence were strongly opposed by the illegal immigrants and people with vested interests in southern Bhutan. These people also opposed the cadastral survey (due for completion in 1993).

But first estimates showed that while the official figures reported occupation of 44,000 acres, the illegal occupation by the Nepalis was more at 47,000 acres. These two surveys were started to update and improve land records throughout the country. The census figures showed an unprecedented rise in Nepali population and in one area—Samchi district—the Nepali population had doubled in 10 years. The cadastral survey revealed increased

illegal holding of land which was more than the total holdings in Tashigang, the country's largest district.

The launching of the antinational activities was conceived by vested interests in southern Bhutan in 1988 after the Government enforced its policies on census, immigration and the cadastral survey. The weak administrative setup in the border areas and the porous and open border of 700 km with India made it possible for illegal Nepali immigrants to enter freely and mingle with the local population, aided and abetted by corrupt officials. They occupied large tracts of land.

These elements regarded the census as a move by the Bhutan Government to evict the people of Nepali origin in the southern districts. They also maligned the Government's efforts to accommodate the genuine difficulties and problems faced by some categories of illegal immigrants on humanitarian grounds in order to bring the southern Bhutanese population into the national mainstream.

These humanitarian concessions and other government efforts failed to make any impression on illegal immigrants who launched their nefarious activities in southern Bhutan in mid-1989. The Bhutan Government's policy of strengthening national integration through the promotion of a national language and dress to promote the distinct identity of the mountain kingdom was viciously attacked. The measures taken by the Bhutan Government were labelled as an attempt to destroy the Nepali language and culture and a violation of human rights. The Nepalis continued their militant activities to mask their "narrow, selfish and subversive political intentions for undermining democracy."

Terrorism, kidnappings: The disturbances in southern Bhutan first started with the distribution of seditious literature in mid-1989, the height of the antinationalist movement's phase. This was followed by acts of robbery, extortion and harassment of Bhutanese nationals in the southern border areas in 1989. Thereafter, these activities graduated into outright acts of terrorism such as kidnapping, arson and murder.

The Government deliberately adopted a no-publicity policy to prevent any bad blood between the people of northern and southern Bhutan. Its tolerant stand failed to yield results. Instead, the antinationals stepped up their activities, mistaking tolerance for weakness. While maligning the Government with false allegations of human rights violations and mouthing slogans of democracy, the illegal movement later became a blatant terrorist campaign. Acts of terrorism increased in intensity with even service facilities such as schools, health centres and bridges being destroyed. Development works were disrupted and security forces had to be deployed to protect the local people and guard important service facilities and government installations.

The king stressed that his Government had been following a policy of patience and restraint in its efforts to resolve the problem. "Although many officials and the

people have been expressing strong reservations, I have been granting amnesty to as many antinationalist detainees as possible to create a conducive atmosphere. A total of 1,520 southern Bhutanese people involved in antinational, terrorist and subversive acts of sabotaging the Government's efforts to promote development work have been released. Earlier this month, 172 detainees were pardoned to mark the successful conclusion of the Seventh Plan meetings in the four southern districts. Although normality has not been restored, the Government is determined to resume development activities which were earlier disrupted in the South one and a half years ago."

Can you speak on Indo-Bhutan relations? Are you happy with the existing state of affairs or do you feel there is room for much greater cooperation?

Ties with India: Mr. Wangchuk responded thus: "The ties of close friendship and understanding between India and Bhutan have been growing in strength ever since the foundations were laid by the late Pandit Jawaharlal Nehru and my late father in the 1950s. I am very happy to say that the excellent relations between India and Bhutan provide a unique example of inter-State relations between large countries and their small neighbours. (The Foreign Minister had told the National Assembly of Bhutan that Indo-Bhutan friendship had reached new heights during King Jigme's reign).

"India has always been the closest friend and neighbour, and by far the largest contributor to our socioeconomic development since 1961 when we first launched our First Five-Year Plan. The basic infrastructure of our country, namely roads, telecommunications, airfield, schools, hospitals and hydropower projects have been built with generous technical and financial assistance from India. One of the most shining testimonies of Indo-Bhutanese friendship and cooperation has been the Chukha Power Project which is the biggest revenue earner for Bhutan. For our Seventh Five Year Plan also, India has committed by far the largest assistance with a pledge of Rupees 750 crores. Several power projects and a cement plant will be taken up with assistance from India during the Seventh Plan."

Should there be a common market for the South Asian Association for Regional Cooperation (SAARC) since Bhutan and Nepal are landlocked countries and face special problems?

The king said: "SAARC was founded with the objectives of bringing the seven countries of South Asia closer together and promoting a better quality of life for our people through regional cooperation. It is still a young association that is in the process of evolving. Cooperation in economic areas will ultimately determine the success of SAARC and landlocked members like Nepal and Bhutan will certainly benefit from successful regional cooperation in these areas."

Cultural Preservation Seen as Insincere Effort

92AS0989H Kathmandu THE RISING NEPAL
in English 4 May 92 p 4

[Article by Saubhagya Shah: "Preserving Culture: The Hidden Agenda"]

[Text] The term "preservation" automatically conjures up visions of things on the verge of extinction and that requires deliberate interventions to prevent their disappearance from the face of the earth, be it the one-horned rhino, the rain forest or the Red Indians. The recent spate of particularly shrill cries for cultural conservation begs for a sober look at the issue—to go beyond the rhetoric.

A Throbbing Reality

Culture in the true sense is never a dead entity to be mummified and preserved or presented in a casket. Rather, it is very much a living, throbbing reality which is not biologically given but a social construct created by man in its relentless endeavours to adapt, adjust and exist in a given ecological and social niche.

It is an adaptive mechanism evolved and transmitted by a particular people in relation to a particular set of climatic, topographical and socioeconomic reality. So when these ground realities are altered, so too will the cultural configuration as an inevitable cause-effect relationship. The first thing the would-be conservationists need to understand is that the cultural superstructure will not remain in its idealized form if the substructure has been modified.

It is a paradoxical nature of culture that it manages to be relatively stable and enduring on the one hand and dynamic on the other at the same time—a moving equilibrium. It is a necessary corollary of its function as a tool for adoption. If left to itself, the changes in climate, vegetation, population composition and technological upgrading cause culture to make a necessary adjustment. These *sui generis* changes occur from within the system over a long period of time, thus giving the various components of the cultural complex adequate time for adjustment.

But the problem arises when the new forces introduced into a system are massive, total and sudden. The ground realities: ecology and production system alter followed by the resultant transformations in the values, beliefs, attitude and the general mode of living of the people. Further, if the exogenous changes are severe enough in their persistence and intensity, the whole cultural complex will crumble as the system is unable to absorb all the forces harmoniously. Human history is littered with such cases.

It is in this light that Nepal's cultural has to be viewed. For a traditional society that entered the modernization, industrialization and westernization process recently, there is a heavy price tag and culture just happens to be

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one of the casualties. Indeed many development theorists and practitioners view traditional cultures and values as impediments to growth and progress. So why do we cry foul? Why don't we just accept it as normal cost of doing business?

Nepal opened up in a big way to the world in 1950 and immediately became infatuated with the awe-inspiring technological and material achievement of the West. Collectively and individually, it became an obsession to imitate the West. Thereafter the aid, assistance, tourism and last but not least Western mass media did the rest to reinforce that bias. But what we failed to understand in our hurry to catch up is that an industrial culture that had taken the West more than a century to evolve could not be telescoped here into five or ten year packages. Besides, the philosophical and historical premises of the Western mechanistic/materialistic basis was ignored. The sheer pace and magnitude of change puts great pressure on the culture.

The Western technology and machinery could not be transplanted in a vacuum, they were not completely value neutral as we would like to believe. They presuppose a particular work ethic, production organization and the accompanying set of values, attitudes and outlook. People, especially the middle and the upper class, start getting shy with their own culture. Indulging in it was perceived as derogatory.

So aping the external trappings of the Western civilization—without understanding its inner core—came in vogue. So speaking foreign languages or at least a few phrases or idioms, following Western dress patterns, indulging in alien entertainment and consumption pattern became essential in keeping up appearance of achievement and success. This is how cultural inferiority complex develops—the indigenous culture seemed inefficient, irrational and obsolete to be shunned by the sophisticated.

During the same period, there was a substantial growth in the service sector, some industries and urbanization accompanied by a gradual decline in the agricultural productivity, the mainstay of Nepalese economy and culture. This further eroded the basic of the local cultural.

Now it is ironic that those people who are most alienated from the traditional flow of life are harping the loudest about cultural preservation as culture happens to be cashable to some. They go to great lengths to extol the virtues of our heritage and stridently urge for its preservation from the laity.

But in private, they are the most Westernized people; in terms of occupation, education, housing, dress and entertainment patterns and preferences. They go to great extents to ensure non-Nepali upbringing and education for their own children. This double standard and hypocrisy cuts across all ethnic, religious and cultural barriers. We are all aware of the loud exhortations for Sanskrit language and necessity of making it mandatory in

schools while the people who make these tall claims despatch their wards abroad for education.

A small group of well-intentioned cultural nostalgics and well-organised business interest are at the forefront of the 'save the culture' campaign. Considering the double standards involved, what is at stake? A closer scrutiny reveals cold pecuniary interests operating behind the camouflage of cultural rhetoric—love of culture as the function of the love of the tourists and the even greater love of the dollars thereof.

The proof of this commercialisation of culture is provided by the rationale behind the rhetoric itself; "what will the tourists say about the denuded hills?", "the tourists won't visit if the culture is lost" so the arguments go from various platforms and podiums. Its never "how will the people make subsistence if the environment deteriorates" or "how will the people carry on if the culture degenerates?"

Increasingly, cultural preservation sounds like a marketing gimmick to package and present the "exotic" culture to those who come to "make" Nepal. And these new demi-gods, whom we are so eager to please, have done their share to "unpreserve" the culture. The Sherpa culture of today is not what it used to be just two generations ago notwithstanding not, their economic gains. Similarly, the magico-religious beliefs associated with thangka painting has been replaced by commercial considerations devoid of any religious sentiments.

As the cultural repertoire is shrinking fast, there is a demand for exotic and novel cultures in the industry. The Tharus are the new find in this regard. They are being coaxed to perform and dance in various jungle camps and preserve their culture in the process. After generations of exploitation, there is still scope for making a fast buck out of them, it seems. When their very habitat has been expropriated, how can they preserve their culture authentically? But for the industry, a few skits before the campfire will just do fine.

Dual Existence

Where does the general public stand on this issue? Trying to make the most out of the difficult situation they find themselves in adapting, assimilating and evolving strategies of survival in the new conditions, which is what real culture is about. The problem of dual existence seems to touch those who have let go of the traditional moorings but have yet to find new anchors. In the meantime, the muddy flux provides good fishing.

Parliamentarians Call For Compulsory Sanskrit

92AS0989D Kathmandu *THE RISING NEPAL*
in English 7 May 92 p 1

[Article: "Make Sanskrit a Must"]

[Text] Kathmandu, May 6 (RSS): Seventy six parliamentarians have jointly placed a demand before the

chairman of the national education commission that a simple Sanskrit course be introduced as a compulsory paper in general education up to secondary level.

This kind of provision is necessary to preserve national culture, promote linguistic proficiency and prepare students for higher Sanskrit studies, argued the parliamentarians of Nepali Congress, the Communist Party of Nepal (UML), Samyukta Janamorcha, Nepal Sadbhavana Party, Rastriya Prajatantra Party and independent ones.

The note of demand was signed by, among others, general secretary of the Nepali Congress Mahendra Narayan Nidhi, general secretary of the CPN (UML) Madan Bhandari, Lilamani Pokhrel of Samyukta Jana Morcha Nepal, President of the Nepal Sadbhavana Party Gajendra Narayan Singh, and Pashupati Shumsher J. B. Rana of National Democratic Party.

Meanwhile, a nine-member delegation of the Nepal University Teachers' Association Balmiki Campus unit met with Prime Minister Girija Prasad Koirala at his residence in Baluwatar today and handed over a six point memorandum including the demand for making Sanskrit a compulsory subject under secondary education.

On the occasion, Prime Minister Koirala was also presented a book entitled "Sanskrit Nai Kina?" (why Sanskrit) by secretary of the Sanskrit council Dr. Durga Prasad Dawadi on behalf of the council.

Meanwhile the Sanatan Dharma Sewa Samiti, in a statement issued here today, has urged His Majesty's Government and the national education commission to formulate a national policy for safeguarding Sanskrit and provision for teaching all the children Sanskrit by making 100 marks Sanskrit compulsory from primary up to graduate level.

The Sanskrit University had already been set up as it was deemed necessary in view of the basic and distinct characteristics of Sanskrit language, the statement notes saying, that the University will be effective only if the people in general realize the importance and usefulness of Sanskrit language.

Democracy Seen Threatened by Political Animosity

92AS0989J Kathmandu *THE MOTHERLAND*
in English 1 May 92 p 3

[Editorial: "Threats Inside"]

[Text] Since politics in Nepal can do so much behind the scenes because of the convenience of playing up democracy and nationalism, the current nationalism and democracy slogans have actually threatened democracy and nationalism more than strengthened it. Government and mainstream parties continue to be a threat to both from opposing parties and the perpetual bogey of antinationals and antidemocratic, reactionary revivalists. The fact is, just as the panchayat was not a democracy to the Congress and the Communists, the Communists are now

saying that the Congress is no democracy and the Communists themselves are divided into various shades of radicalism on these same slogans which does not make it easy for democracy to stabilise in this country. Especially when opposition programmes come with the same vehemence as that used to overthrow system and government reaction is the same as that used to prevent a system from failing, the approach to politics itself make democracy and nationalism vulnerable in the country.

Unless this radicalism is discarded in favour of sombre, democratic, pragmatic politics, our politicians will themselves be the threat to what they claim they are promoting primarily, democracy and nationalism. This irony must be recognised by none other than the politicians themselves since there is nothing as yet to coerce politicos from taking the easy path they are taking so far. It is none other than the proclaimed guardians of democracy and nationalism who are threatening democracy and nationalism in the country. Since they hold monopoly in national politics, they must begin cleaning shop fast so that democracy and nationalism are not threatened.

Outcome of Local Elections Forecast

92AS0989G Kathmandu *THE RISING NEPAL*
in English 5 May 92 p 4

[Article by Mukti Rijal: "Close NC-UML Contest Likely"; italicized words as published]

[Text] The local elections are less than a month away. The detailed schedules for the elections have been brought out. The political parties have readied themselves for the crucial electoral showdown. And the safe bets are being shortlisted from among the aspirants seeking endorsement of the competing political parties.

Other Contenders

The major competitors for the ensuing polls appear to be the Nepali Congress and the CPN (UM-L) [Communist Party of Nepal] that have already emerged as the biggest political parties since the last parliamentary elections.

The unified National Democratic Party, Nepal Sadbhavana Party and Samyukta Jan Morcha are the other contenders with mass following to reckon with. Especially in the Terai areas the Nepali Congress [NC] and the Nepal Sadbhavana Party may find themselves in close encounters whereas in the hilly areas the leftists and the Nepali Congress can emerge as the keen rivals.

But speculations that are rife in the print media in relation to the municipality elections put the Nepali Congress and leftists as the main competitors even for the Terai areas. Whether it is the Biratnagar municipality or the Nepalganj, the electoral speculations and analyses tend to give the Nepali Congress and leftists the competitive scores.

SOUTH ASIA

However, the case of municipalities aside, the Terai areas, in many cases, may find the Nepali Congress and the Nepal Sadbhavana Party vying for capturing the leadership in the village development committees.

But so far as the municipalities and village development committees in the hilly areas are concerned, the leftists are likely to give a strong contest to the Nepali Congress. The leftists have maintained a well-knit organisational clout in the rural areas. But their rifts and feuds might not give them the electoral advantage as it is thought and believed by some quarters.

In overall terms the CPN (UM-L) has been the stronger leftist group with nationwide organisational arteries. It has been able to gain support from across the class compositions. The businessmen, industrialists, political careerists and professional elites who have not been able to work their ways in the Nepali Congress or prefer not joining the Nepali Congress seek to throw their weight behind the CPN (UM-L) as they find in it a party in proximity to the chances of capturing political power.

The more CPN (UM-L) sheds its ideological tone and braces for pragmatism, the more acceptable the party shall become to the noncommunists and democrats.

Another leftist group that has grown in stature these days and eyes to oust the CPN (UM-L) from a dominant position has been the Unity Centre which has extended its influence in many areas. Likewise, the boycottist of the last general elections, Masal, has declared its decision to participate in the local elections. Its following in some pockets is too strong to ignore. Should these leftist organisations divide and go one's own way in the ensuing local elections they shall finish very poorly. The Nepali Congress shall garner the benefits to be accrued from the splits of the leftist groups.

Of the leftists, the CPN (UM-L) seems to have given primacy to the forthcoming local elections, and also engaged in intensifying the electoral campaign. The CPN (UM-L) central leaders are fanning out across the country to woo the voters in view of the local elections. The CPN (UM-L) general secretary Madan Bhandari has already made a long sojourn in the mid-western and far-western region in order to strengthen the party's influence.

The regions have been the Nepali Congress stronghold considering the party's gleeful performance during the last general elections. But the Unity Centre has interpreted the situations differently. It has seen the present moment as opportune to advance agitation against the Nepali Congress Government. For the Unity Centre, the forthcoming local election is secondary and a less significant event, as claimed in the various statements issued on behalf of the party.

In the recent issue of '*Jana Satta*' - the Unity Centre's mouth-piece, there were several articles published to the credit of leaders associated with Centre. All the articles

resonate one point, that is, to carry forward the agitations against the government.

But, the CPN (UM-L) seems bent to continue its two-pronged strategy, that is, to awaken the people against the government through protest rallies and processing peacefully and conduct campaigns to give an electoral fight to the ruling party in the local elections.

The mutually clashing approach of the leftist parties on the importance of local elections might lead them to part their ways during the elections. These parties are also engaged in trading of the accusations which may lead to widening schisms between them. The CPN (UM-L) is infuriated by the Unity Centre's remark that the former is not a communist party. Should the differences persist, these might cost them in the local elections.

Conversely, the Nepali Congress has gathered a new vigour and gone ahead with the aim of faring better in the elections. The various decisions taken by the government directed at benefitting the rural populace are being interpreted as done for wooing the voters. Prime Minister Girja Prasad Koirala has made a whirlwind tour of the mid - and win the voters over to the ruling party.

The differences among the triumvirate - supremo Ganesh Man Singh, K. P. Bhattarai and Prime Minister Koirala, highlighted in the local press seem to be narrowing significantly as the leaders have orchestrated their voices for taking the party unitedly in the local elections.

The NC leaders have admitted very often that there is not much to capitalise on the gains of the government especially to make greater strides among the urban voters due to cost escalations. But the party might fare well due to its comparative advantages on other scores.

In addition to the Nepali Congress and the leftists, another force that has slowly rejuvenated comes from the ranks of former panchas. The former panchas' party National Democratic Party has a nationwide organisational network. There are speculations that the National Democratic Party is set to perform better in the ensuing local polls.

Overall Competition

Lastly, however the overall competition in the ensuing local polls shall be between the NC and the CPN (UM-L) similar to the pattern of last year's multiparty general elections.

Garment Exports Reportedly Increasing Rapidly

92AS0989I Kathmandu THE RISING NEPAL
in English 2 May 92 p 1

[Article: "Garments Export Up By 86 Percent"]

[Text] Kathmandu, May 1 (RSS): The policies recently adopted by His Majesty's Government on export promotion have resulted in the increase of readymade garment export.

According to the Commerce Ministry, readymade garment export to the United States recorded an increase of about 86 percent in the first three months of this fiscal year. U.S. dollars 26,254,000 worth of readymade garment was exported to the United States during the period as against last year's U.S. dollar 14,118,000 worth of garment export to the country.

Of the exportable Nepali products, readymade garment comes second to carpet. It is also one of the main foreign exchange earners and employment generating industry of the country.

The United States is the prominent market for Nepali readymade garment. Canada and Germany come second to the United States.

Efforts are being made to explore markets for Nepali readymade garment in Japan and Europe.

Effects of Economic Inflation Analyzed

92AS0989F Kathmandu THE RISING NEPAL
in English 6 May 92 p 4

[Article by Alok Rajouria: "Inflation: A Necessary Evil?"; quotation marks as published]

[Text] Defined as a persistent rise in the general level of prices of goods and services, inflation is ubiquitous, yet widely misunderstood. Public enemy No. 1, a subtle and elusive process, unbridled inflation has, many times, dodged remedial prescriptions from prominent economists and successfully unseated many politicians. The present public discontent stirred by unanticipated rise in the Nepalese market prices amplifies the queries: Is inflation really necessary? Is it evil?

Inevitable Rise

Most economists agree that some rise in the general price level is inevitable with economic growth, and many consent to the fact that an annual price increase rate of up to 2.5 per cent is normal (given that output and wages increase by the same degree). Anything exceeding that figure is, however, considered inflation.

It is often said that inflation is as old as market economy. Inflation theory has come a long way from simple quantity of money of the classical economists. In the 1940s Keynesian 'Inflationary Gap' analysis dominated other theories, and in the 60s, simple 'Phillips Curve' depicted a trade-off between wage-price inflation and unemployment.

In recent times, periods of recession and rising unemployment, coupled with positive rates of price inflation,

has given rise to 'stagflation.' During periods of stagflation, prices may be rising long before the economy has reached full employment.

Since 1980, the erosion of purchasing power of the Nepalese rupee has often been defined by 'double-digit' inflation, annual figures fluctuating between 5 and 12 per cent. About 65 per cent weightage is given to food and beverages group while computing the price index. Clearly, the impact of substantial increase in the price of nonagricultural commodities and services like real estate, electricity, clothing, medicine, and transportation is mitigated in the weighted price index.

A one rupee note cannot buy what it used to, and probably buys more than what it will. Does inflation impoverish all? Economists claim that inflation has redistribution effect on income and wealth. An unexpected run-up in prices will impoverish some and enrich others. Workers with fixed income like civil servants and teachers are vulnerable and hardest hit, but for those who owe long-term fixed interest rate debt, a sharp rise in prices is a windfall gain. Inflation, therefore, churns income and assets, randomly redistributing wealth around the population. However, the redistribution effect may neither be equitable, nor socially justifiable.

An intricate web of variables influence the rate of inflation in an underdeveloped country. The causes are myriad, the exogenous factors play as important a role as domestic ones.

In an era of increasing international trade, the repercussions of global inflationary trend do not spare the Nepalese economy. In 1989/90, the share of India and other countries in total foreign trade accounted for as much as 23 per cent and 77 per cent respectively. Imported goods, both consumer and capital goods, are subject to price rise inherited from their country of origin.

Rapid depreciation of the Nepalese currency against major international currencies is one of the causes that propelled the rate of inflation to a double-digit. Currency depreciation is almost certain to hurt somebody, and the group likely to be hurt is the group that receives its income by selling nontraded goods and services.

A 'Cheap Money Policy' with heavy government expenditure and huge fiscal deficit help mount pressure on the rising market prices. The government has taken the policy of maintaining fiscal deficit at the rate of 9.5 per cent of the GDP [Gross Domestic Product]. The conventional view is that the use of deficit finance to a safe limit will stimulate economic activity. However, this view has been challenged by monetarists and the new classical macroeconomists who emphasize the inflationary consequences of deficits in the budget.

Continuing demand for wage increases can also fuel the inflationary process. The increase in wages and salary will not only drive the costs higher, but also add to the

disposable income of the wage-earners, which will, in the short-run, bid up the market prices.

Studies show that when inflation rises, people devote real resources to reducing their money holding. In times of soaring market prices, a growing tendency to spend savings is prevalent for fear that, with further decline in purchasing power, they otherwise will shrink in value. The resultant reduction in savings and increased velocity of money will push the rate of inflation higher.

High investment on projects that claim long gestation period can have inflationary effect. A substantial amount of money gets into the market long before the project can supply its product.

The underground economy, strewn with illegal practices like smuggling, bribing, profiteering, creating artificial scarcities, and evading taxes directly affect the market prices. Moreover, association among producers and businessmen create a monopoly-like situation, manipulating the market prices, they become 'price makers' and not 'price takers.' Evolution of business associations eliminate the benefit to consumers from competition.

Prices in a capitalist open market economy are basically determined by the forces of supply and demand, but monetary and fiscal policies geared towards curbing inflation can significantly help control the rising market prices.

Policy-Maker's Predicament

Reducing the rate of inflation has its costs. Should we subdue inflation at the cost of output and employment, risking a recession? Do we want perfect price stability with zero or negative growth rate, or should we tolerate moderate inflation and pursue higher economic growth? These are predicaments policy-makers in every capitalist country face. A policy framework which fosters economic growth and concurrently restraints inflation poses a slippery, unending challenge.

Violence Against Women Said Pervasive in Society

92AS0989C Kathmandu *THE RISING NEPAL*
in English 8 May 92 p 4

[Article by Saubhagya Shah: "Violence Against Women; A Case of Cultural Pollution?"; quotation marks as published]

[Text] Among various indices and statistics used to determine women's status, perhaps none is more relevant, yet consistently neglected, than the degree and extent of various forms of violence meted out to women in their daily interactions.

Gender Injustice

Many forms of gender injustice such as sati, female infanticide, rules of widowhood, prostitution and rape and other prejudices have historical origins as well as universal occurrence. Many of these phenomena are very

much alive today as we are reminded by the increasing frequency of rape, assault and prostitution related news in the media.

The rapid rate of socioeconomic change has altered some of the outward forms of discriminations against women, but the underlying power-relations between the sexes seems to remain intact.

The roots of differential gender power and access to resources lie in the patriarchal ideology that influences the character and form of the family, state as well as the mechanisms of material production which in turn reinforce the status quo that is prejudicial to the women's status. Under the patriarchal ethics, the girl child is socialized to be submissive, docile and domesticated while the brother is encouraged to be aggressive, conquering and "tough."

The male is modelled to be independent and self-seeking while the female coerced into dependence and to seek her very raison d'être through the male, be it a father, husband or son. The basis of violence perpetrated against women is both behavioural and structural if violence is defined as the physical act, words, gestures, or threats targeted at a victim that physically or psychologically hurt and damage the sense of well-being of the victim.

Viewed in this perspective; the discriminations, prejudice and violence against women appear to be ubiquitous despite substantial strides made by women in education, health, and occupations during the past forty or so years.

In recent years, the inferior position of women and their subjugation in society is being increasingly reflected in their daily interactions and encounters both in public spaces and familial context. Wife battering and harassment within the sacred precincts of the home is old news, we now seem to be graduating into bride burning stage.

A combination of social, economic and technological factors have brought the violence and harassment from the closed space of the home into the public arena in a big way recently. Most women who venture into the street nowadays report incurring some form of sexual harassment and abuse. These may range from such abuses as lecherous insolent stares, cat calls, whistling and obscene verbal abuse to physical molestation, pinching, pushing and squeezing on the street, buses, schools, colleges, and even in offices and workplaces.

No place seems to be safe for the "fair sex." The routine and pervasive nature of this abuse is a constant reminder to the woman of her powerlessness, helplessness and inferiority. Besides the physical pain, it shatters the confidence, self-respect and the very personality of the victim. Numerous female respondents from a wide cross-section of socioeconomic backgrounds disclose of the daily ordeals and mental tortures each time they leave the house.

If the mistreatment and abuse is so extensive and regular, why don't the women react, one is tempted to ask. The "culture of silence" generated by our social norms and etiquettes precludes any affirmative reaction from the women in this regard. The prescribed role model for a woman is one of modest, silent and submissive female.

In the now too frequent instances when women are physically or verbally accosted, a number of cultural and social factors combine to force them to suffer in silence. Foremost among them is the general feeling of helplessness and powerlessness to counter the dehumanising assaults. There does not appear any effective recourse open, except to minimise the damage thereof by enduring it silently and making a quick exit out of the degrading situation.

Even if the harassment was challenged on the spot, it usually aggravates the victim's suffering. The tormentor/tormentors usually retaliate with greater violence which a lone woman is in no position to counter as the public in the vicinity pretends not to notice the atrocity at all or become passive bystanders reveling in the cheap thrill provided by a helpless woman's shame. The "fear of involvement" is a pervasive phenomenon.

The considerations of family's "repute" also inhibits women's potential reactions as the family constantly urges them not to get involved in any arguments or issues, as any kind of entanglement is supposed to tarnish the "name." This invariably means that women have to depend on their menfolk for protection, but how practical is it for a woman to be escorted constantly, and how desirable? It is part of the problem anyway.

If the harassment and violence is so pervasive and ubiquitous, where did it come from? Although sexual harassment itself is not a new entity, it certainly has acquired a new notoriety and venom in recent times. Under the influence of modern materialistic culture, education and the worldwide popular culture engendered by the global mass media, people are increasingly redefining their attitude and behaviour towards women.

The outlook of an entire new generation is being conditioned by the trash videos, movies, pornographic literature and advertisements that project female sensuality and eroticism above all qualities for lack of discernment and taste on the part of the society at large. As a result, the semblance of traditional respect and decorum accorded to women is fast eroding. Women are increasingly viewed as objects and commodities for consumption rather than as individuals and persons.

For example, female is referred to as "maal" or "cheez" in the new vocabulary. In a small way, it reflects the perceptions of men towards women. Moreover, in the warped-up mentality of the youths, there is an element of glamour attached to taunting, jeering and abusing females. Many women say they cringe at the sight of toughies posing on the sidewalk or cruising down the street. And it's not only the "lumpen" elements on the street, even "respectable" people in "respectable" situations indulge in crude remarks and innuendoes that hurt women's self-esteem and positive frame of mind.

Suffering in silence and shutting off their minds to the constant torment are the mechanisms many women have evolved in response. There is rarely a woman who is willing to talk about the misery she faces in the street, even with her family. Pretending something didn't happen is a much easier way out for every one. This refusal to acknowledge the malaise further encourages harassment knowing there will be no resistance or rebuttal.

The first thing in checking this social ill will be to realize that it's not someone else's headache simply because it only concerns the women. Instead of callous indifference and apathy to the needless suffering and misery of women, the society as a whole will have to define such behaviour as morally and socially negative and voice it emphatically. Such strong convictions on the part of the public will discourage many would-be tormentors. Similarly, the family and the schools need to strive to inculcate a humble, polite and courteous role model to children which is more akin to what is best in our cultural traditions. The 'negative' masculine and 'violent' image gaining currency with our children and youths has to be urgently checked for the sake of social harmony. It is no coincidence that criminal cases such as robberies, murders and stabbing are on the upswing exactly at a time when the violence against women is rising.

Breaking the Vicious Cycle

Another positive step in breaking the vicious cycle would be to have open discussions on the issue rather than it being kept an open secret. Besides galvanizing social conscience on this topic, talking would also put public shame and ridicule on the perpetrators, thereby creating some deterrence.

Finally, for all those professing to "raise the status" of women, it might prove fruitful to generate awareness and commitment on this burning issue. It is just as important to remove women's fear and humiliation as the launching of "income generation" projects. For what worth are all other achievements if a person, particularly the 'fair sex' can not live in peace and harmony with oneself and others?

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